Annual financial report and financial statements

Year to December 31, 2014

WIPO
WORLD
INTELLECTUAL PROPERTY
ORGANIZATION

WORLD INTELLECTUAL PROPERTY ORGANIZATION

ANNUAL FINANCIAL REPORT AND FINANCIAL STATEMENTS

YEAR TO DECEMBER 31, 2014

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ANNUAL FINANCIAL REPORT

INTRODUCTION

The financial statements of the World Intellectual Property Organization (WIPO) for the year ended December 31, 2014 are submitted to the Assemblies of the Member States of WIPO in accordance with Regulation 6.7 of the Financial Regulations and Rules. The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). This is the fifth set of financial statements that have been prepared under IPSAS, following their implementation at WIPO from January 1, 2010.

The report of the External Auditor on the audit of the 2014 financial statements, together with his opinion on the financial statements, are also submitted to the Assemblies of the Member States of WIPO as prescribed under Regulation 8.11 and Annex II of the Financial Regulations and Rules (FRR).

The financial statements, along with financial statement discussion and analysis, are presented in this annual financial report.

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

This section of WIPO's annual financial report presents discussion and analysis of the Organization's operations and environment, financial objectives and strategies, financial performance and financial position during the year ended December 31, 2014. This discussion and analysis is not part of WIPO's financial statements; however, it should be read together with WIPO's financial statements on pages 26 to 73.

Overview of WIPO's Operations and Environment

WIPO is the global forum for intellectual property services, policy, information and cooperation. It is a specialized agency of the United Nations, with 188 Member States.

The Organization's mission is to lead the development of a balanced and effective international intellectual property system that enables innovation and creativity for the economic, social and cultural development of all countries. The Organization's mandate, governing bodies and procedures are set out in the WIPO Convention, which established WIPO in 1967.

WIPO's Member States determine the direction, budget and activities of the Organization through the decision-making bodies. The main policy and decision-making bodies of WIPO are the General Assembly and the Coordination Committee. The General Assembly consists of States party to the WIPO Convention which are members of any of the Unions administered by WIPO. The Coordination Committee consists of elected members of the Executive Committees of the Paris or the Berne Unions, one-fourth of the States party to the WIPO Convention which are not members of any of the Unions, and Switzerland, as the State on whose territory the Organization has its headquarters.

The General Assembly appoints the WIPO Director General upon nomination by the Coordination Committee. The Director General is the chief executive of the Organization. The Director General is assisted by the Senior Management Team (consisting of the four Deputy Directors General and the four Assistant Directors General, plus the Legal Counsel and the Director of the Human Resources Management Department) in providing the strategic direction of WIPO's programs and in managing their respective Sectors and Programs to ensure the delivery of results in line with the Program and Budget.

WIPO generates most of its revenue from fee-paid services which are provided to users of the international registration systems through the Patent Cooperation Treaty (PCT), Madrid and Hague Systems. In 2014, fees from these activities represented 91.0 per cent of the Organization's total revenue, with PCT system fees alone representing 75.2 per cent.

The driver for revenue from these fee-paid services is the international demand for intellectual property titles. This demand is influenced by the performance of the global economy, although since 2010 global intellectual property filing activity has continued to grow despite uneven economic recovery from the global financial crisis that began in 2008. Other external factors which may influence the Organization's revenue from these services include research and development investment levels, technological confidence levels, and exchange rate fluctuations. For the PCT system in particular, other important factors include the level of PCT fees as compared to those offered by other filing routes, the attractiveness and value of PCT services as compared to other filing routes, and individual corporate patent strategies.

Overview of WIPO's Financial Objectives and Strategies

The financial activities of WIPO are governed by its Financial Regulations, which are approved by the General Assembly. Financial Rules are established by the Director General in accordance with the provisions of the Financial Regulations. WIPO's Program and Budget Committee is informed of any modification of the Financial Rules. The Financial Rules govern all the financial management activities of the Organization. Authority and responsibility for the implementation of the Financial Regulations and Rules is delegated by the Director General to the Controller.

Every two years, the Director General presents a Program and Budget to Member States for approval. It details objectives, performance measures and budgetary planning for all proposed activities. The Program and Budget for the 2014/15 biennium was approved by the Assemblies of the Member States of WIPO on December 12, 2013. The Program and Budget provides the planning for the biennium within the overall strategic context of the Medium Term Strategic Plan.

The Organization uses a Results Based Management system to ensure that resources are budgeted and utilized in line with Organizational results and priorities. Organizational performance is measured and analyzed on a regular basis through performance indicators, targets and baselines. Under this system, both the Program and Budget and the Medium Term Strategic Plan form part of WIPO's planning framework, along with annual work plans and individual staff objectives.

The Organization manages the levels of its reserves in accordance with its Policy on Reserves. One core element of the policy is the mechanism for establishing the required level of reserves as a percentage of the estimated biennial expenditure of the Unions administered by the Organization. The policy also establishes the principles and approval mechanism for the use of reserves for capital expenditures and strategic initiatives.

The Organization manages its investments in accordance with its Policy on Investments. The policy states that the primary objectives of the Organization's investment management, in order of importance, shall be (i) preservation of capital; (ii) liquidity and (iii) within the constraints of (i) and (ii), the rate of return.

Overview of the Financial Statements

The financial statements prepared in accordance with IPSAS consist of:

A Statement of Financial Position which details the net assets (the difference between total assets and total liabilities) of the Organization. This statement provides information about the financial strength of the Organization, and the resources which are available to support its future objectives;

A Statement of Financial Performance which measures the net surplus or deficit (the difference between total revenue and total expenses) for the year. This statement provides information on the Organization's sources of revenue, and the cost of its activities. The annual surplus or deficit is presented on a full accrual basis of accounting, recognizing revenue in the period it is earned and expenses when incurred, regardless of when the associated cash is received or paid;

A Statement of Changes in Net Assets which identifies the change in the net asset position during the year. This statement highlights the sources of changes in the Organization's overall financial position, including changes due to the surplus or deficit for the period;

A Statement of Cash Flow which presents the movements of cash during the year resulting from operating, investing and financing activities. This statement provides information on how cash has been raised and used during the year, including borrowing and repayment of borrowing, and the acquisition and disposal of fixed assets. In contrast to the Statement of Financial Performance, the Organization's net cash flow measures the difference between cash coming into the Organization and cash going out;

A Statement of Comparison of Budget and Actual Amounts which presents a comparison of the budget amounts under the Program and Budget, and the actual amounts for the year. This statement is prepared on the budgetary basis which is a modified accrual basis. It provides information on the extent to which resources were obtained and used in accordance with the approved budget;

Notes to the Financial Statements which assist in understanding the principal financial statements. The Notes comprise a summary of significant accounting policies and other explanatory information. They also disclose information required by IPSAS which is not presented on the face of the principal financial statements.

Financial Statement Highlights

The 2014 WIPO financial statements prepared in accordance with IPSAS show a surplus for the year of 37.0 million Swiss francs, and a corresponding increase in net assets from 208.8 million Swiss francs in 2013 to 245.8 million Swiss francs as at December 31, 2014.

The 2014 surplus of 37.0 million Swiss francs can be compared to a surplus of 15.1 million Swiss francs in 2013. Total revenue in 2014 was up by 18.6 million Swiss francs on the 2013 figure, due principally to an increase of 21.1 million Swiss francs in PCT system fees revenue, partly off-set by a 3.2 million decrease in other/miscellaneous revenue. Total expenses fell by 3.3 million Swiss francs compared to 2013. Although personnel expenditure rose by 2.4 million Swiss francs, the cost of travel and fellowships, supplies and materials, contractual services and operating expenses were all lower than in the prior year.

WIPO's total assets increased from 900.6 million Swiss francs as at December 2013, to 969.4 million Swiss francs as at December 31, 2014. Most notably, cash and cash equivalents totaled 474.5 million Swiss francs as at December 31, 2014 (48.9 per cent of total assets), an increase of 64.6 million Swiss francs compared to the prior year. The Organization maintains significant investment in fixed assets, including land, buildings, investment property, intangible assets and equipment with a total net book value of 419.7 million Swiss francs (43.3 per cent of total assets). 2014 saw continued investment in fixed assets, increasing their total net book value by 23.3 million Swiss francs compared to the end of 2013. During the year the construction project of the New Conference Hall and improvements to the A. Bogsch building were completed. The New Conference Hall has now been brought into use and is being depreciated over its useful life. The Security Construction project, including the new access centre and security perimeter, is expected to be completed in the first half of 2015.

The principal liabilities of the Organization as at December 31, 2014 are payables and advance receipts of 358.7 million Swiss francs (49.6 per cent of total liabilities), employee benefit liabilities of 161.2 million Swiss francs (22.3 per cent of total liabilities) and borrowings of 139.2 million Swiss francs (19.2 per cent).

Financial Performance

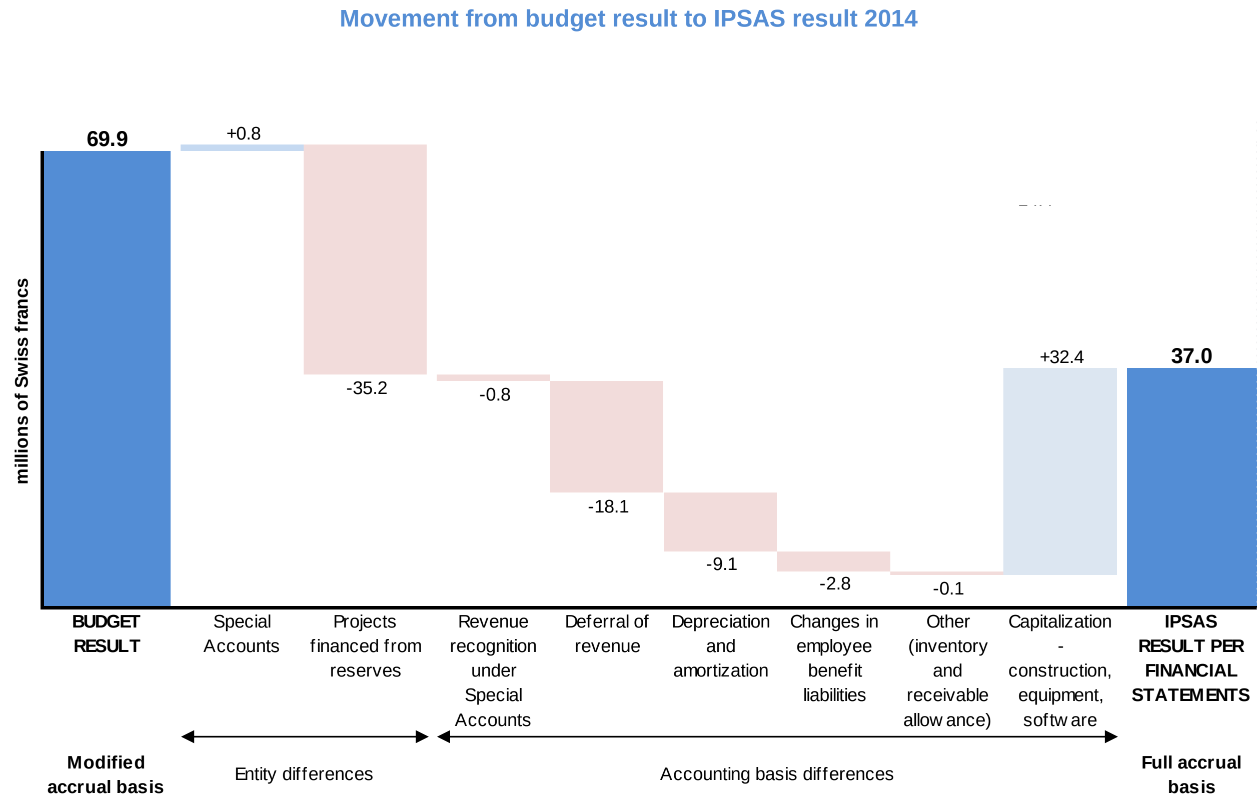
The Organization's results for 2014 showed a surplus for the year of 37.0 million Swiss francs, with total revenue of 370.2 million Swiss francs and total expenses of 333.2 million Swiss francs. This can be compared to a surplus of 15.1 million Swiss francs in 2013, with total revenue of 351.6 million Swiss francs and total expenses of 336.5 million Swiss francs.

The Program and Budget result for 2014 prepared on a modified accrual basis (i.e. before the impact of IPSAS adjustments) was a surplus of 69.9 million Swiss francs. The 2014 result for the Organization under IPSAS includes Special Accounts, Projects financed from reserves, and the impact of adjustments related to full accrual accounting in accordance with IPSAS.

Summary of financial performance by source of funding

	Program and Budget 2014	Special Accounts 2014	Projects Financed from Reserves 2014	IPSAS Adjustments 2014	Total 2014	Total 2013
	(in millions of Swiss francs)					
Total revenue	378.7	9.7	-	-18.2	370.2	351.6
Total expenses	308.8	8.9	35.2	-19.7	333.2	336.5
Net surplus/(deficit)	**69.9**	**0.8**	**-35.2**	**1.5**	**37.0**	**15.1**

The chart below summarizes the principal differences between the Program and Budget surplus of 69.9 million Swiss francs, and the surplus for the whole Organization prepared on an IPSAS basis of 37.0 million Swiss francs:



The WIPO financial statements as prepared in accordance with IPSAS include all areas and activities of the whole Organization. The inclusion of the results before IPSAS adjustments for Special Accounts (surplus of 0.8 million Swiss francs) and Projects financed from reserves (deficit of 35.2 million Swiss francs) represent 'entity differences' between the budget result and the surplus per the IPSAS financial statements.

The application of full accrual basis accounting in accordance with IPSAS leads to a number of 'accounting basis differences' which impact the result for the year. The net impact of these adjustments is a surplus of 1.5 million Swiss francs:

- Under IPSAS, revenue from voluntary contributions under Special Accounts is recognized as the conditions in the donor agreements are fulfilled and expense is incurred in line with the program of work. Where contributions received exceed the cost of work performed, the contributions are treated as deferred revenue liabilities, resulting in a reduction in the result for the year of 0.8 million Swiss francs.

- In applying IPSAS, revenue from fees is deferred until it is deemed to have been earned, which in the case of international applications is when final publication takes place. For PCT applications, a receivable is also recognized where an application has been filed but no fee has been received by the Organization.

The balance of deferred revenue from fees (PCT, Trademarks, Industrial Designs) increased from 198.5 million Swiss francs as at December 31, 2013 to 203.7 million Swiss francs as at December 31, 2014. Over the same period, receivables from PCT fees fell from 62.4 million Swiss francs to 46.7 million Swiss francs. Part of this decrease in receivables was due to the offset of a portion of PCT current accounts for the amount of 3.9 million Swiss francs as at December 31, 2014, where part of the current account balances were identified as relating to filed applications. The net impact is a decrease in revenue of 17.0 million Swiss francs.

During 2014, deferred revenue of 1.1 million Swiss francs has also been recognized relating to the financing of security constructions by the Foundation for Buildings for International Organizations (FIPOI). In summary, the 18.1 million Swiss francs adjustment for the deferral of revenue is made up as follows:

Summary of IPSAS adjustment for revenue deferral 2014

	2014
	(in millions of Swiss francs)
Decrease in PCT debtors	-15.7
PCT current account offset	3.9
Increase in deferred revenue from fees	-5.2
Increase in FIPOI deferred revenue	-1.1
Total adjustment for revenue deferral	**-18.1**

- The result for 2014 on an IPSAS basis includes the depreciation expense of buildings and equipment and the amortization expense of intangible assets, as the cost of these assets is spread over their useful lives. The total cost of depreciation and amortization for the year was 9.1 million Swiss francs.

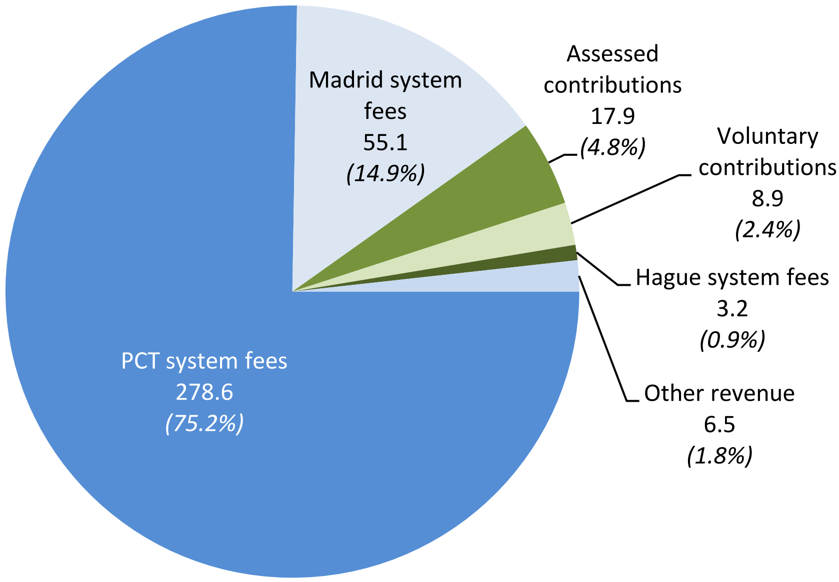
- IPSAS requires that employee benefits earned by staff but not yet paid be recognized as liabilities of the Organization. The IPSAS adjustments bring the total liabilities recognized in the financial statements into line with the IPSAS compliant calculations of these liabilities, including those prepared by external actuaries. Employee benefit liabilities recognized under IPSAS (After Service Health Insurance – ASHI, repatriation grant and travel, accumulated annual leave, home leave, overtime and the closed pension fund) increased by 10.2 million Swiss francs during 2014. Under the Program and Budget, a 6.0 per cent charge is applied to the cost of posts for the funding of the provision for after service employee benefits. In 2014, this charge generated a provision of 7.4 million Swiss francs, following deductions for after service employee payments during the period (principally the Organization's contribution for the ASHI premiums of retirees). As a result, the IPSAS adjustment required to cover the remainder of the 10.2 million Swiss franc increase in employee benefit liabilities was 2.8 million Swiss francs.

- Other IPSAS adjustments concern the decrease in inventories (resulting in an expense of 0.4 million Swiss francs) and a decrease in the allowance for receivables from assessed contributions (resulting in revenue of 0.3 million Swiss francs).

- Under IPSAS, costs relating to the construction and improvement of buildings are capitalized. This reduces the expense for the year 2014 by 30.4 million Swiss francs. Similarly, the acquisition of certain equipment and software is capitalized under IPSAS, further reducing the expense for the year by 2.0 million Swiss francs.

Revenue Analysis

Composition of revenue 2014 on an IPSAS basis
(in millions of Swiss francs)



Total revenue of the Organization for 2014 was 370.2 million Swiss francs, representing an increase of 5.3 per cent compared to the 2013 total revenue of 351.6 million Swiss francs. The largest source of revenue during 2014 was PCT system fees, accounting for 75.2 per cent of total revenue. Revenue from PCT system fees increased by 8.2 per cent from 2013.

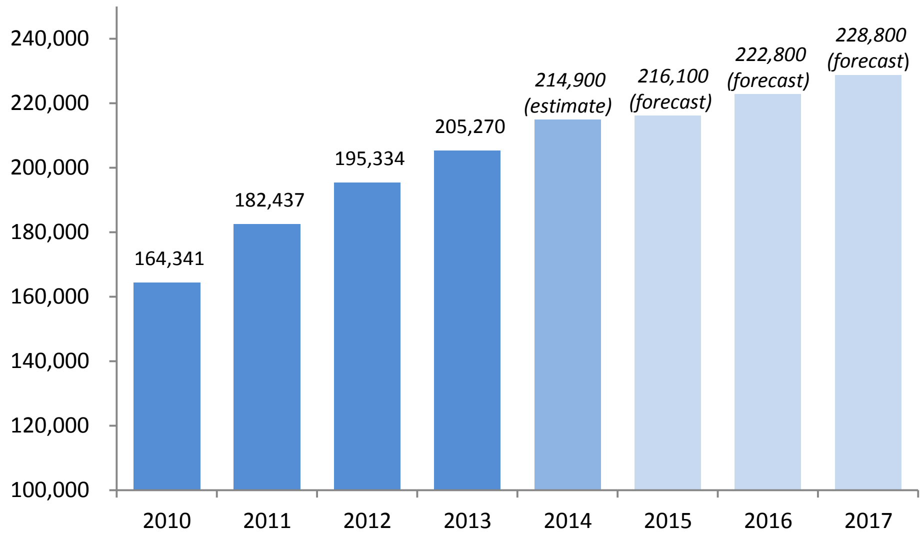
Madrid system fees were the second largest source of revenue during the year 2014, representing 14.9 per cent of total revenue, although these fees fell by 0.3 million Swiss francs compared to 2013. Hague system fees, assessed contributions, voluntary contributions and other revenue (investment, publication, arbitration and mediation, miscellaneous revenue and other fees) comprise the remaining 9.9 per cent of the Organization's total revenue. The table below provides a summary of the changes by revenue type compared to the prior year.

Change in revenue 2013 – 2014

	2014	2013	Net Change	Net Change
	(in millions of Swiss francs)			%
Revenue				
Assessed contributions	17.9	17.7	0.2	*1.1*
Voluntary contributions	8.9	7.5	1.4	*18.7*
Publications revenue	0.4	0.4	-	-
Investment revenue	1.6	2.1	-0.5	*-23.8*
PCT system fees	278.6	257.5	21.1	*8.2*
Madrid system fees	55.1	55.4	-0.3	*-0.5*
Hague system fees	3.2	3.2	-	-
Sub-total fees	336.9	316.1	20.8	*6.6*
Arbitration and Mediation	1.5	1.6	-0.1	*-6.3*
Other/miscellaneous revenue	3.0	6.2	-3.2	*-51.6*
Total revenue	**370.2**	**351.6**	**18.6**	***5.3***

PCT activity continued to increase in 2014, with the number of applications filed in the year 2014 totaling 214,900 (based on estimates prepared in February 2015). PCT application levels are a direct indicator of revenue levels from PCT system fees, and have grown year on year since 2010. Based on forecasts prepared in January 2015, applications are expected to continue to increase over the next three years:

PCT applications by year of filing 2010-2017



PCT revenue is principally comprised of international filing fees (the basic fee, plus supplementary page fees, less reductions for e-filings and least developed countries). The total PCT system fees revenue figure also comprises other fees (including handling and transfer fees) and foreign exchange gains and losses:

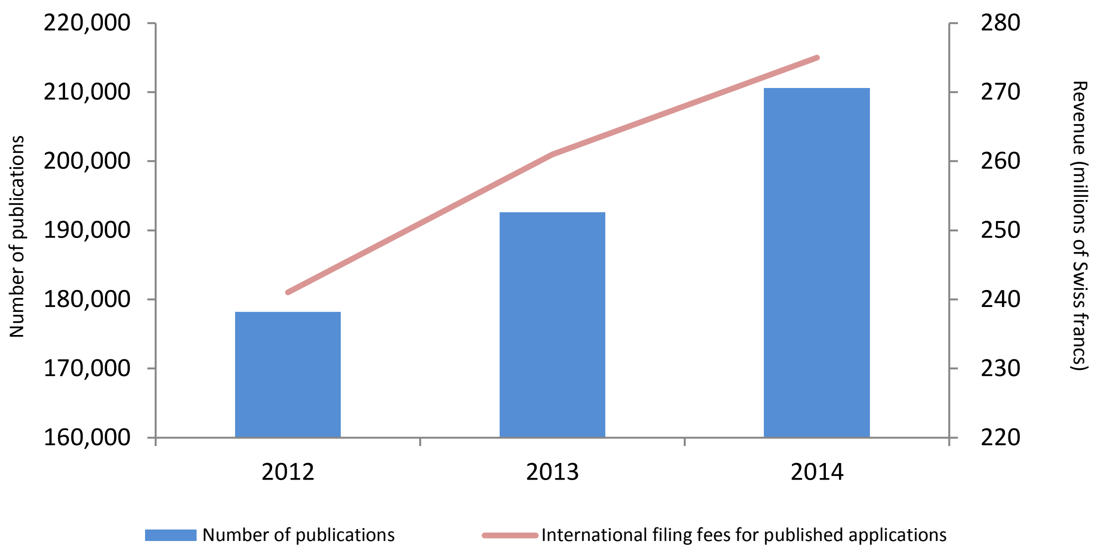
Detail of PCT system fees 2012-2014

	2014	2013	2012
	(in millions of Swiss francs)		
International filing fees	275.0	262.3	240.6
Other fees	3.9	3.9	3.9
Exchange gain/(loss) on fees received	-1.7	-6.0	7.5
Other exchange gain/(loss)	1.4	-2.7	-
Total PCT system fees	**278.6**	**257.5**	**252.0**

In the IPSAS financial statements, revenue for international filing fees from PCT applications is recognized only on publication of the application. In most cases, publication takes place six months after the filing of a PCT international application. At the time of filing, a receivable balance is recognized until the Organization has received fee payment.

A deferred revenue liability is recognized for each filing until publication. This is different to the budget result for the Program and Budget, under which revenue is recognized as the cash payment of fees is received. When looking at revenue from PCT international filing fees as recognized in accordance with IPSAS, it can be seen that this has grown as annual publications have increased:

PCT - International filing fees and publications 2012-2014



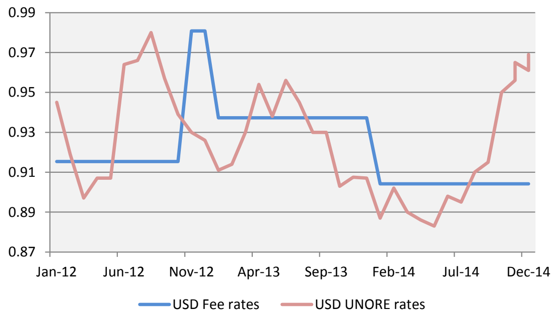
Exchange gains and losses are incurred on PCT international filing fees where these are received in currencies other than the Swiss franc. WIPO establishes equivalent amounts of fees in various currencies for each year. The equivalent amounts applicable at the date of filing an application determine how much an applicant should pay in the local currency. The actual amount recognized by WIPO in Swiss francs is determined by the United Nations Operational Rates of Exchange (UNORE) at the date of receipt of payment. The exchange gain or loss on fees arises as difference between the equivalent Swiss franc fee to the actual amount in Swiss francs at the date of payment. In the year 2014, the Organization incurred a net exchange loss of 1.7 million Swiss francs on PCT fees received (international filing fees and handling fees). This loss concerned principally fees in Japanese yen (loss of 1.3 million Swiss francs). In 2013, the Organization incurred a net exchange loss of 6.0 million Swiss francs on PCT fees received, whereas in 2012 the Organization made a net gain of 7.5 million Swiss francs:

Detail of exchange gain/(loss) on PCT fees received 2012-2014

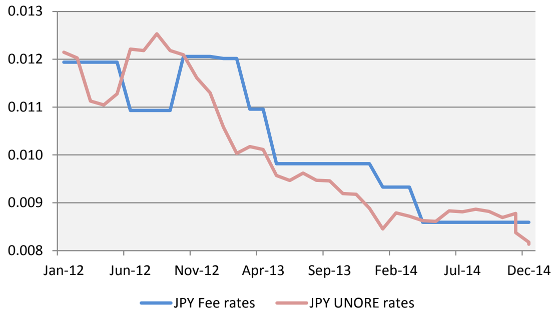
	2014	2013	2012
	(in millions of Swiss francs)		
Currency of fee payment:			
US dollar	0.1	-1.5	4.2
Japanese yen	-1.3	-4.9	1.8
Euro	-0.4	0.7	-0.1
Other currency	-0.1	-0.3	1.6
Total exchange gain/(loss) on fees received	**-1.7**	**-6.0**	**7.5**

The equivalent amounts for fees in currencies other than the Swiss franc are established for each year according to the exchange rates prevailing on the first Monday of October of the preceding year. Equivalent amounts can be reset during the year if the exchange rate between the other currency and the Swiss franc is changed by 5.0 per cent or more for more than four consecutive Fridays. The following tables show the difference between the exchange rate used to establish the equivalent amounts and the UNORE over 2012-2014 for the US dollar, Japanese yen and euro:

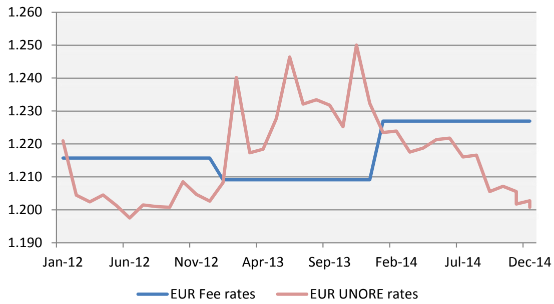
USD – Comparison of equivalent amount rate and UNORE 2012-2014



JPY - Comparison of equivalent amount rate and UNORE 2012-2014



EUR - Comparison of equivalent amount rate and UNORE 2012-2014



In September 2011 the Swiss National Bank (SNB) announced a policy to maintain a minimum exchange rate of 1.20 Swiss francs per euro. This policy effectively limited the Organization's exposure to exchange losses on fees received in euro. However, on January 15, 2015 the SNB announced that it was discontinuing this policy. Subsequently, the value of the Swiss franc rose sharply, and all other currencies lost on average 15.0 per cent of their value against the Swiss franc in the currency markets. The table below summarizes the difference between the exchange rate used to establish the equivalent amounts for filings at the end of 2014 and the start of 2015 for the US dollar, Japanese yen and euro, and the UNORE following the SNB announcement:

Comparison: Equivalent Amount Rate and 2015 UNORE

	Equivalent Amount Rate (EAR)	UNORE published January 29, 2015	Percentage difference to EAR	UNORE published February 26, 2015	Percentage difference to EAR	UNORE published March 11, 2015	Percentage difference to EAR
			(per cent)		*(per cent)*		*(per cent)*
2014 Filings (1)							
US dollar/Swiss franc	0.9039	0.9200	*1.8*	0.9540	*5.5*	1.0040	*11.1*
Japanese yen/Swiss franc	0.0086	0.0078	*-9.3*	0.0080	*-7.0*	0.0083	*-3.5*
Euro/Swiss franc	1.2271	1.0431	*-15.0*	1.0707	*-12.7*	1.0647	*-13.2*
2015 Filings (2)							
US dollar/Swiss franc	0.9608	0.9200	*-4.2*	0.9540	*-0.7*	1.0040	*4.5*
Japanese yen/Swiss franc	0.0088	0.0078	*-11.4*	0.0080	*-9.1*	0.0083	*-5.7*
Japanese yen/Swiss franc	0.0081	*N/A*	*N/A*	0.0080	*-1.2*	0.0083	*2.5*
Euro/Swiss franc	1.2127	1.0431	*-14.0*	1.0707	*-11.7*	1.0647	*-12.2*

(1) Equivalent Amount Rates for 2014 filings are based on rates in force at the end of 2014;
(2) Equivalent Amount Rates for 2015 filings are based on rates in force at the start of 2015. Note that the rate for filings in Japanese yen changed from 0.0088 to 0.0081 from March 1, 2015.

WIPO is expected to incur exchange losses both on 2014 filings that were unpaid prior to the SNB announcement, and 2015 filings made during the first three months of the year prior to the implementation of new equivalent amounts from April 1, 2015. Fees from these filings would be expected to be received during the first five months of 2015, and therefore the extent of losses is dependent on the pattern of cash inflows and future exchange rates. It is noted that the new equivalent amounts announced with effect from April 1, 2015, included the euro but not the US dollar and Japanese yen which, due to the recovery of a large part of their value against the Swiss franc, did not meet the conditions for the setting of a new equivalent amount. It is estimated that following the SNB announcement, WIPO will incur an exchange loss of between 2.0 and 5.0 million Swiss francs on PCT international filing fees received during the first five months of 2015.

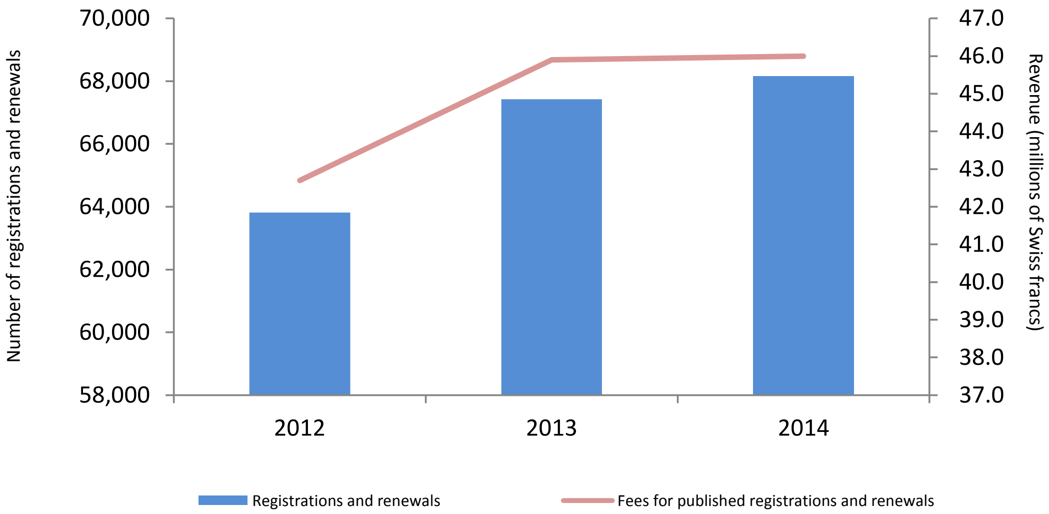
Madrid system fees principally comprise basic fees received from applications for registrations or renewals and fees for subsequent designations:

Detail of Madrid system fees 2012-2014

	2014	**2013**	**2012**
	(in millions of Swiss francs)		
Basic fees (registrations and renewals)	46.0	45.9	42.7
Subsequent designations	4.7	4.5	4.0
Other fees	4.4	5.0	4.9
Total Madrid system fees	**55.1**	**55.4**	**51.6**

In accordance with IPSAS, revenue from Madrid fees for registrations, renewals and subsequent designations is recognized in the financial statements upon publication. Revenue from registrations and renewals (but not including other fees) as recognized in accordance with IPSAS has grown as the number of registrations and renewals have increased year on year:

Madrid - basic fees and registrations/renewals 2012-2014



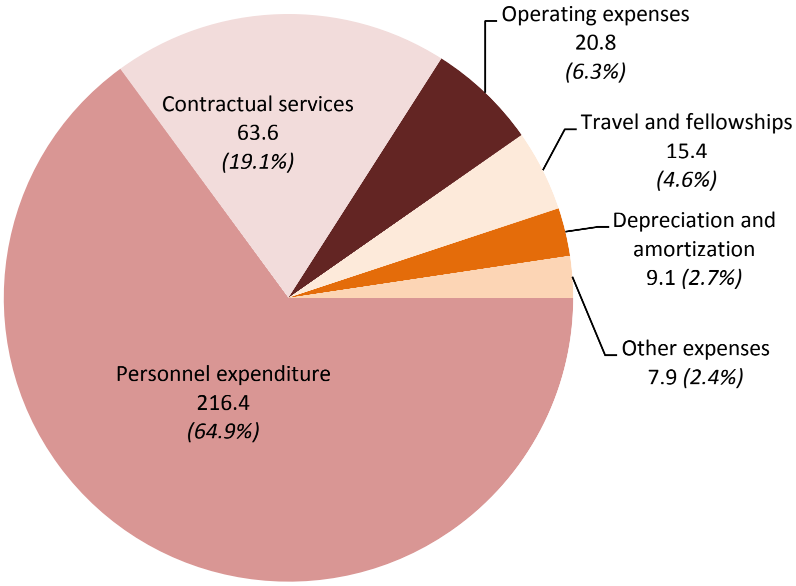
Hague system fees totalled 3.2 million Swiss francs for 2014. As with PCT and Madrid system fees, revenue from fees related to the processing of applications is recognized when the application has been published. Hague system fees remain stable, and are materially unchanged compared to the prior year.

Revenue from assessed contributions of 17.9 million Swiss francs represents 4.8 per cent of total revenue, while revenue from voluntary contributions received under Special Accounts of 8.9 million Swiss francs represents 2.4 per cent of total revenue. Revenue from voluntary contributions is recognized as work is performed and expense incurred in line with the relevant agreement.

Investment revenue totaled 1.6 million Swiss francs in 2014, a decrease of 23.8 per cent compared to 2013. Interest income fell as the average rate of interest earned on interest bearing accounts and investments held with the Swiss Federal Finance Administration (AFF) was 0.421 per cent in 2014 compared to 0.558 per cent in 2013. Arbitration and mediation revenue of 1.5 million Swiss francs and publications sales of 0.4 million Swiss francs for the year 2014 were broadly in line with the prior year. Other/miscellaneous revenue fell from 6.2 million Swiss francs in 2013 to 3.0 million Swiss francs in 2014. The 2013 figure is higher due to the receipt in that year of 4.3 million Swiss francs of credit notes, nearly entirely from the International Computing Centre (ICC).

Expense Analysis

Composition of expenses 2014 on an IPSAS basis
(in millions of Swiss francs)



Total expenses of the Organization for 2014 were 333.2 million Swiss francs, representing a decrease of 1.0 per cent compared to 2013 total expenses of 336.5 million Swiss francs. The largest expense for the Organization is personnel expenditure of 216.4 million Swiss francs, representing 64.9 per cent of total expenses. Contractual services of 63.6 million Swiss francs are the second largest expense for the Organization, followed by operating expenses of 20.8 million Swiss francs. The table below provides a summary of the changes by expense type compared to the prior year.

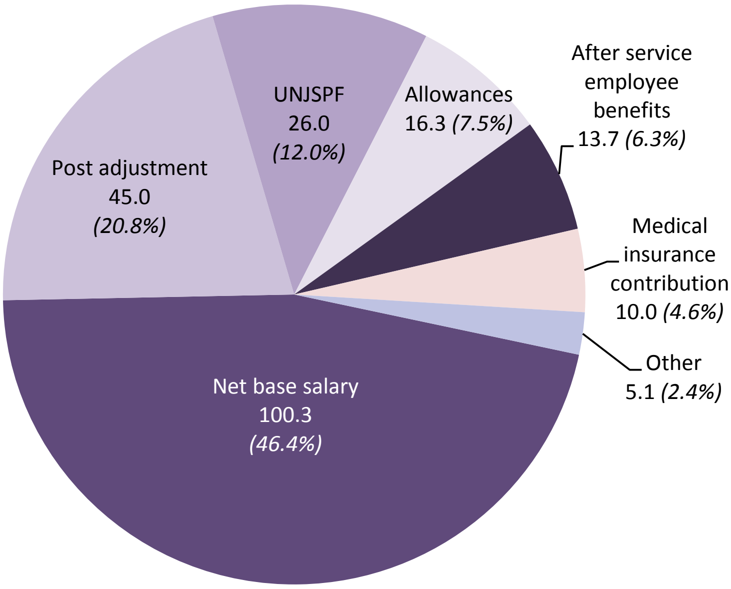
Change in expenses 2013 - 2014

	2014	2013	Net Change	Net Change
	(in millions of Swiss francs)			%
Expenses				
Personnel expenditure	216.4	214.0	2.4	*1.1*
Interns and WIPO fellow ships	2.6	1.7	0.9	*52.9*
Travel and fellow ships	15.4	19.2	-3.8	*-19.8*
Contractual services	63.6	65.0	-1.4	*-2.2*
Operating expenses	20.8	21.1	-0.3	*-1.4*
Supplies and materials	1.8	3.3	-1.5	*-45.5*
Furniture and equipment	0.2	0.9	-0.7	*-77.8*
Depreciation and amortization	9.1	7.9	1.2	*15.2*
Finance costs	3.3	3.4	-0.1	*-2.9*
Total expenses	**333.2**	**336.5**	**-3.3**	*-1.0*

Personnel expenditure comprises principally net base salary and post adjustments for staff in posts or temporary positions. Combined these represent 145.3 million Swiss francs, 67.2 per cent of total personnel expenditure for 2014. The next biggest element of personnel expenditure is the Organization's contributions to the United Nations Joint Staff Pension Fund (UNJSPF), which total 26.0 million Swiss francs in 2014. WIPO's mandated contribution to the UNJSPF is currently 15.8 per cent of a staff member's pensionable remuneration. Allowances of 16.3 million Swiss francs represent 7.5 per cent of total staff expenditure. Allowances include principally dependency allowances for 4.8 million Swiss francs, education grants for 5.4 million Swiss francs, and home leave for 3.0 million Swiss francs. The cost of the Organization's contribution to monthly medical insurance premiums for active staff totaled 10.0 million Swiss francs for the year 2014. Other personnel expenditure of 5.1 million Swiss francs includes other staff insurance contributions and termination agreements.

Composition of personnel expenditure 2014 on an IPSAS basis

(in millions of Swiss francs)



After service employee benefits of 13.7 million Swiss francs represent the cost to the Organization of After Service Health Insurance (ASHI), repatriation grant and travel, and accumulated annual leave. The expense for 2014 is equivalent to the actual cash payments for these benefits, plus the movement in the amount of the total liability compared to December 31, 2013.

Expense for after service employee benefits 2014

	After Service Health Insurance	Repatriation Grant and Travel	Accumulated Annual leave	Total
	(in millions of Swiss francs)			
Balance as at December 31, 2013	119.6	12.3	12.2	**144.1**
less:				
Benefits paid during the period	-2.5	-0.2	-0.4	**-3.1**
Balance as at December 31, 2014	127.9	13.9	12.9	**154.7**
Total expense for the Organization	**10.8**	**1.8**	**1.1**	**13.7**

Total personnel expenditure of 216.4 million Swiss francs has increased by 1.1 per cent compared to total personnel expenditure of 214.0 million Swiss francs in 2013. The table below provides a detailed breakdown of personnel expenditure and the variance compared to 2013.

Detail of personnel expenditure 2013 – 2014

	2014	2013	Net Change	Net Change
		(in millions of Swiss francs)		%
Net base salary	89.8	88.2	1.6	*1.8*
Post adjustment	40.1	38.7	1.4	*3.6*
UNJSPF contribution	23.4	23.1	0.3	*1.3*
Allowances	16.3	16.3	-	-
After service employee benefits	13.7	11.6	2.1	*18.1*
Medical Insurance contribution	8.9	8.7	0.2	*2.3*
Other post staff expenditures	3.2	1.9	1.3	*68.4*
Staff in posts expenditure	**195.4**	**188.5**	**6.9**	***3.7***
Net base salary	10.5	14.5	-4.0	*-27.6*
Post adjustment	4.9	4.7	0.2	*4.3*
UNJSPF contribution	2.6	3.0	-0.4	*-13.3*
Medical Insurance contribution	1.1	1.3	-0.2	*-15.4*
Other temporary staff expenditures	1.1	1.2	-0.1	*-8.3*
Staff in temporary positions expenditure	**20.2**	**24.7**	**-4.5**	***-18.2***
Other staff costs	**0.8**	**0.8**	**-**	**-**
Total personnel expenditure	**216.4**	**214.0**	**2.4**	***1.1***

While the expense for staff in posts has increased by 6.9 million Swiss francs compared to 2013, the expense for staff in temporary positions has fallen by 4.5 million Swiss francs. This is in large part due to the regularization of long serving temporary employees from temporary positions to posts. The increase in the expense for after service employee benefits of 2.1 million Swiss francs is linked to the overall movement in the liability for after service employee benefits, which is greater between the years 2013 and 2014 than the years 2012 and 2013. Other staff costs presented separately in the table above represent costs common to both posts and temporary positions (professional accident insurance, the Closed Pension Fund and litigation costs).

In the 2014 financial statements, the cost of interns is no longer included as part of personnel expenditure. This is considered a more appropriate reflection of the nature of the relationship of these individuals with the Organization since they are not covered by the Staff Regulations and Rules. Intern expenses are grouped with WIPO fellowships, which were previously included within the expense line travel and fellowships. WIPO fellowships aim to provide individuals with experience to strengthen their knowledge and professional competence. These costs are presented separately from course fellowships, which are the expenses incurred in sending trainees (non-staff) to attend courses and seminars and which are included within the expense line travel and fellowships. The cost of WIPO fellowships has increased by 0.8 million Swiss francs compared to 2013, which can be linked to the Organization's budgeted strengthening of exchange programs with national IP offices and the fellowship program in the Arbitration and Mediation Centre.

Travel and fellowships total 15.4 million Swiss francs for 2014, and account for 4.6 per cent of total expenses. These expenses have fallen by 19.8 per cent compared to the 2013 figure of 19.2 million Swiss francs. Travel costs comprise third-party travel (conference participants and lecturers) for 7.6 million Swiss francs, and staff and consultant mission costs for 5.7 million Swiss francs. Travel costs are 3.5 million Swiss francs lower than in 2013, which is broadly in line with budgeted reductions in this cost area. During 2013 an important conference (the Diplomatic Conference to conclude a Treaty to facilitate Access to Published Works by Visually Impaired Persons and Persons with Print Disabilities) was held in Marrakesh. In 2014, a new online travel booking tool was launched, which will also help reduce travel costs for the Organization. The cost of course fellowships in 2014 totals 2.1 million Swiss francs, compared to 2.4 million Swiss francs in the prior year.

Contractual services in 2014 total 63.6 million Swiss francs. These expenses have decreased by 2.2 per cent compared to the figure of 65.0 million Swiss francs for 2013. Contractual services in the year 2014 concern primarily commercial translation services (22.5 million Swiss francs), International Computing Centre services (11.5 million Swiss francs), IT commercial services (10.1 million Swiss francs) and individual contractual services (10.5 million Swiss francs). Commercial translation services increased by 2.1 million Swiss francs compared to 2013, linked in part to an increase in the average length of outsourced patentability report translations (from 612 words in 2013 to 687 words in 2014). However, the cost of individual contractual services was down by 2.1 million Swiss francs compared to 2013, and the cost of conferences was also down by 0.9 million Swiss francs compared to the prior year.

Operating expenses in 2014 total 20.8 million Swiss francs, representing a slight decrease of 1.4 per cent compared to the 2013 total of 21.1 million Swiss francs. Operating expenses in 2014 comprise mainly premises and maintenance costs (16.8 million Swiss francs), communication expenses (2.3 million Swiss francs) and administrative charges (0.8 million Swiss francs). A reduction of 0.3 million Swiss francs in communication expenses compared to 2013 can be linked to a decrease in physical mailings.

Expenses for supplies and materials of 1.8 million Swiss francs have fallen by 45.5 per cent compared to 2013. Furniture and equipment expenses are also lower, totaling 0.2 million Swiss francs in 2014 compared to 0.9 million Swiss francs in 2013. Furniture and equipment expenses concern those items which do not meet the Organization's threshold of 5,000 Swiss francs for capitalization, and are therefore immediately recognized as an expense. Notably expenditure on IT equipment of this nature fell from 0.6 million Swiss francs in 2013 to 0.1 million Swiss francs in 2014.

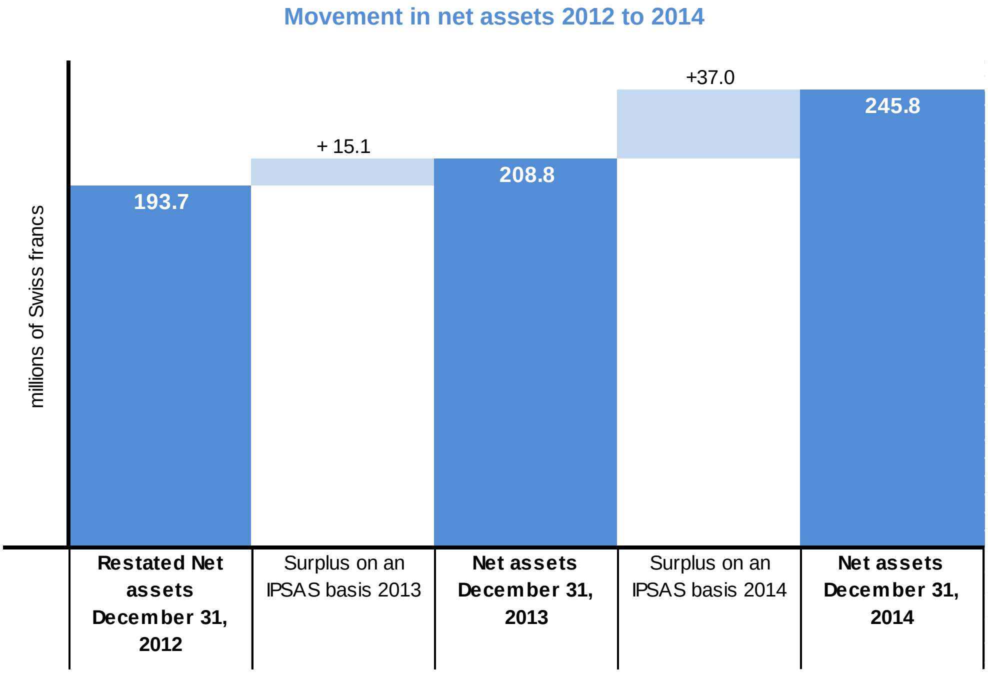
As noted above, expenses under IPSAS include the depreciation expense of buildings and equipment and the amortization expense of intangible assets, as the cost of these assets is spread over their useful lives. For 2014, these total 9.1 million Swiss francs, compared to 7.9 million Swiss francs for 2013. This increase is linked to the completion of the New Conference Hall, which generated a depreciation expense of 0.7 million Swiss francs after it was brought to use in September 2014, and the completion of an internally developed software project in early 2014, which generated additional amortization of 0.6 million Swiss francs during the year.

For the first time in the 2014 financial statements, finance costs are separately disclosed on the face of the statement of financial performance. Previously these were included within operating expenses. Finance costs have remained relatively stable compared to the prior year, totaling 3.3 million Swiss francs in 2014 and 3.4 million Swiss francs in 2013. Finance costs are principally interest repayments on the BCG/BCV New Building loan, totaling 3.1 million Swiss francs in 2014. The remaining finance costs relate to bank charges.

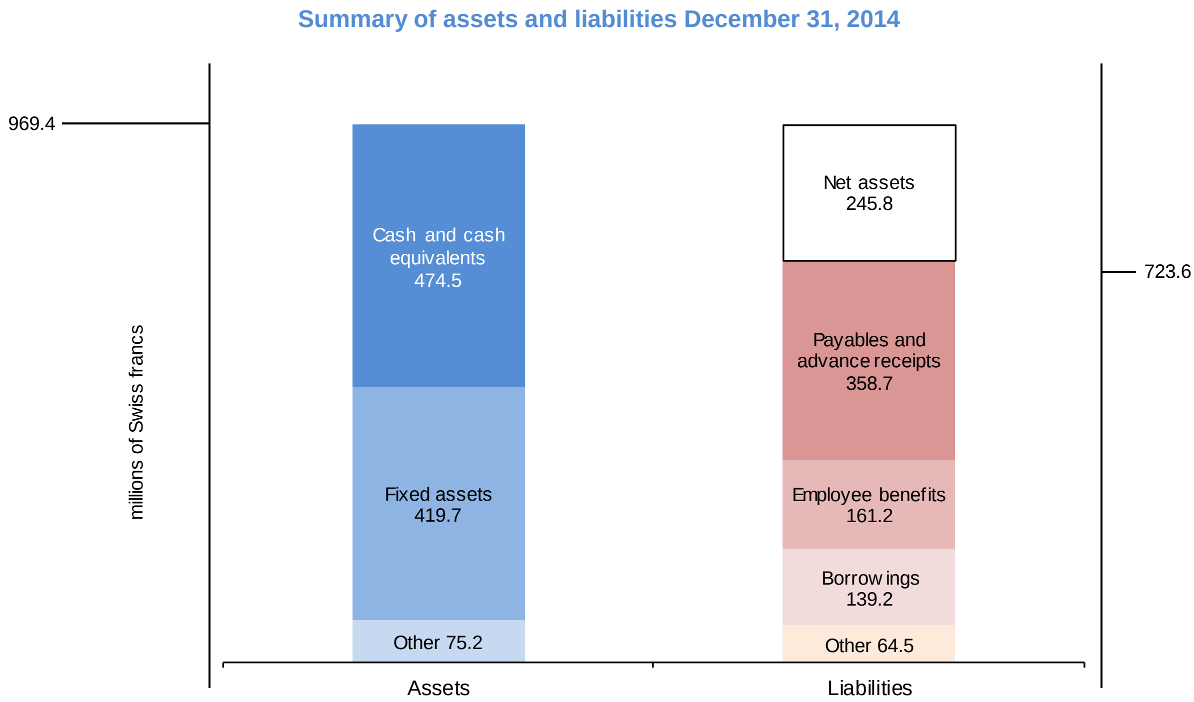
Financial Position

As at December 31, 2014, the Organization has net assets of 245.8 million Swiss francs, with total assets of 969.4 million Swiss francs and total liabilities of 723.6 million Swiss francs. Net assets have increased to 245.8 million Swiss francs at the end of 2014 from the balance of 208.8 million at the end of 2013 as a result of the surplus for 2014 of 37.0 million Swiss francs.

Note that following a change in accounting policy concerning the recognition of revenue from international patent applications, WIPO was required to restate its net assets at December 31, 2012. At the end of 2012, restated net assets were 193.7 million Swiss francs (compared to the previously stated 178.2 million Swiss francs). In 2013 the Organization recorded a surplus of 15.1 million Swiss francs.



The chart below provides a summary of the Statement of Financial Position of WIPO as at December 31, 2014.



Assets

The Organization has cash balances of 474.5 million Swiss francs, representing 48.9 per cent of total assets, although this includes amounts totaling 249.8 million Swiss francs which are classified as restricted under IPSAS. Total cash balances have increased significantly compared to the balance of 409.9 million Swiss francs as at December 31, 2013, and are invested as applicable in line with WIPO's Policy on Investments.

The Organization holds significant fixed assets (land, buildings, investment property, intangible assets and equipment) with a total net book value of 419.7 million Swiss francs, compared to 396.4 million Swiss francs as at December 31, 2013. During 2014, the Organization capitalized costs for the construction of the New Conference Hall and the Security Construction project (including the access centre and the security perimeter), and also costs for additions and improvements to existing occupied buildings, most notably the A. Bogsch building. The New Conference Hall was brought into use in September 2014, and the Security Construction project is expected to be completed in the first half of 2015. Costs totaling 30.4 million Swiss francs were capitalized and added to the cost of the Organization's buildings during 2014. This was partly offset by a depreciation charge of 7.1 million Swiss francs against buildings in the year.

The table below summarizes the fixed assets held by the Organization. Land and property is classified differently under IPSAS depending on the purpose for which it is used, or the nature of the contractual right or agreement under which it is held. Apart from the land and property included below as fixed assets, the Organization leases additional space, storage and facilities in Geneva, and has leases for some of its external offices (see Note 19). The Organization has also been granted land surface rights on which certain headquarters buildings are located. These rights, acquired at no cost, are not recognized in the financial statements but are disclosed (see Note 8).

Fixed assets as at December 31, 2014

	December 31, 2014 Net Carrying Amount *(in millions of Swiss francs)*	**Classification in the Financial Statements**
New Building Site	28.6	*Land (Note 9)*
Security Construction	12.5	*Work in Progress (Note 9)*
New Conference Hall	67.3	*Occupied Building (Note 9)*
New Building	155.5	*Occupied Building (Note 9)*
A. Bogsch Building	45.7	*Occupied Building (Note 9)*
G. Bodenhausen Building I	9.2	*Occupied Building (Note 9)*
G. Bodenhausen Building II	3.9	*Occupied Building (Note 9)*
PCT Building	60.7	*Occupied Building (Note 9)*
Madrid Union Buidling	4.8	*Investment Property (Note 7)*
Land surface rights	26.0	*Intangible Asset (Note 8)*
Software (acquired and developed)	3.8	*Intangible Asset (Note 8)*
Equipment	1.2	*Equipment (Note 6)*
Furniture and furnishings	0.5	*Furniture and furnishings (Note 6)*
Total fixed assets	**419.7**	

The net book value of equipment held by the Organization fell by 0.6 million Swiss francs, from 2.3 million Swiss francs at the end of 2013 to 1.7 million Swiss francs at the end of 2014. This decrease was due to depreciation of 0.8 million Swiss francs, partly off-set by equipment additions. During the year there were significant disposals of mainly obsolete IT equipment. Although the gross carrying amount of disposals was 5.3 million Swiss francs, the net book value was just 8,771 Swiss francs as this equipment was almost entirely depreciated. The net book value of the Organization's intangible assets increased by 0.6 million Swiss francs during 2014 due to capitalized software additions.

Other assets of the Organization totaling 75.2 million Swiss francs include accounts receivable, inventories and advance payments. Within this, the most significant balance is PCT debtors totaling 46.7 million Swiss francs. At any given time, a significant number of PCT applications have been filed with receiving offices and possibly received by WIPO, for which no corresponding fee payment has been received by the Organization. The balance of PCT debtors has decreased considerably compared to the prior year, when it totaled 62.4 million Swiss francs. At the end of 2013, approximately 23.8 per cent of applications filed during the preceding twelve months remained unpaid. At the end of 2014, this percentage fell to approximately 16.0 per cent. Alongside this decrease in the proportion of unpaid applications at year end, 2014 also saw a catch up on outstanding payments for 2013 applications. These two factors explain the decrease in the balance of PCT debtors.

PCT debtors 2013-2014

	PCT debtors	
	2014	**2013**
	number of applications	
Total filings in year	214,900	205,270
Estimated number unpaid at year end	34,300	48,800
Unpaid as a percentage of total filings	16.0%	23.8%
	millions of Swiss francs	
Total PCT debtor	**46.7**	**62.4**

Liabilities

Payables and advance receipts total 358.7 million Swiss francs, and principally include deferred revenue for the processing of international applications (trademark, industrial design, patents) for 203.7 million Swiss francs. This deferred revenue balance mainly concerns PCT fees of 199.7 million Swiss francs. Revenue from fees relating to the processing of international applications is deferred until the related application is published. At any given time, a number of PCT applications will have been filed with either receiving offices or WIPO which have yet to be published. As at December 31, 2014, for applications with a 2013 or 2014 filing date it is estimated that approximately 145,157 applications had been filed which are awaiting publication. Although this is a lower number than at the end of 2013, total amount of deferred revenue has increased due to the strengthening of the US dollar against the Swiss franc in the second half of 2014, and also due to the increased average cost of translating patentability reports.

PCT deferred revenue 2013-201

	PCT deferred revenue	
	2014	**2013**
	number of applications	
Total filings in current and prior year	420,170	400,604
Estimated number unpublished at year end	145,157	145,702
Unpublished as a percentage of total filings	34.5%	36.4%
	millions of Swiss francs	
PCT deferred revenue - unpublished applications	188.0	184.8
PCT deferred revenue - translation costs	11.7	10.1
Total PCT deferred revenue	**199.7**	**194.9**

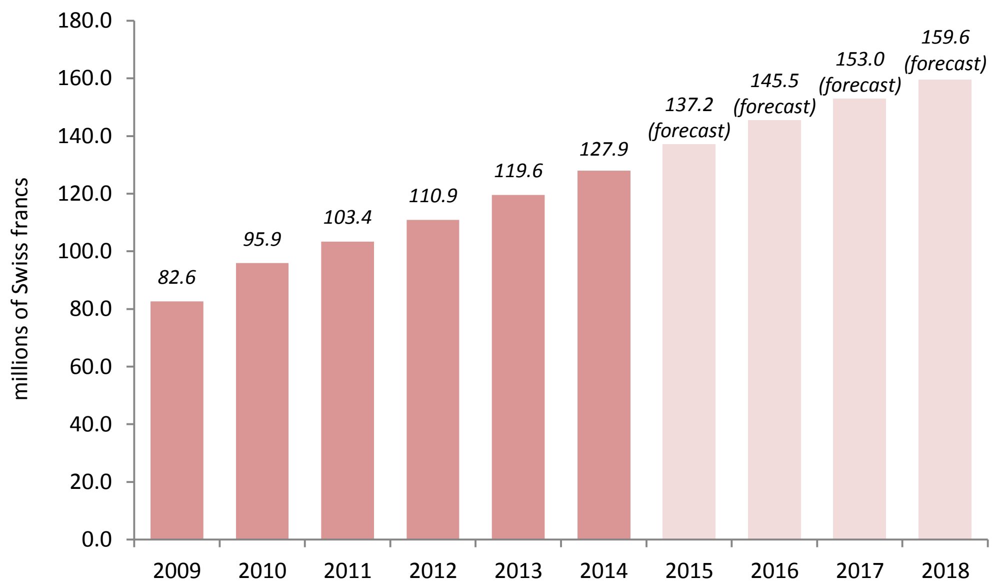
Employee benefit liabilities of 161.2 million Swiss francs are mainly comprised of the After Service Health Insurance (ASHI) liability of 127.9 million Swiss francs, which represents 79.4 per cent of the total employee benefits liability as at December 31, 2014. The ASHI liability has increased by 8.3 million Swiss francs compared to 2013. The liability is calculated by an independent actuary, and reflects the total future cost of WIPO's share of health insurance premiums for both existing WIPO retirees and the projected number of active WIPO staff who will retire in the future.

Composition of employee benefits liabilities as at December 31, 2014

	December 31, 2014	**Percentage of Liability**
	(in millions of Swiss francs)	**%**
After Service Health Insurance (ASHI)	127.9	*79.4*
Repatriation grant and travel	13.9	*8.6*
Accumulated leave	12.9	*8.0*
Closed pension fund	2.9	*1.8*
Education grant	1.9	*1.2*
Accrued overtime	0.5	*0.3*
Home leave not taken	0.5	*0.3*
Separation benefits	0.5	*0.3*
Performance rewards	0.2	*0.1*
Total employee benefit liabilities	**161.2**	**100.0**

The ASHI liability has been increasing steadily over the last six years, and based on actuarial projections is expected to continue to increase going forward. The liability is increased each year by both the current service cost and the interest cost, and is reduced each year by benefits paid out by the Organization. The current service cost is the net impact resulting from employee service performed for the year. The interest cost is the impact resulting from the fact that each member of the active staff is one year closer to reaching the age of eligibility for ASHI participation. The benefits paid out by the Organization each year are the monthly contributions (currently 65.0 per cent of premiums) that the Organization makes for retirees participating in ASHI. The demographic profile of WIPO's staff, and the ratio of current staff to retirees, therefore have a significant impact on the movement in the liability. In this context, it is also important to note the recent change in the retirement age for staff members whose appointments took effect on or after January 1, 2014. For these staff, the retirement age has been increased to 65, compared to 62 for staff whose appointments took effect on or after November 1, 1990 but prior to January 1, 2014.

Movement in ASHI liability 2009 - 2018



The calculation performed by the independent actuary also incorporates a number of actuarial assumptions, including discount rate, medical cost trend rates, staff turnover rates and mortality rates. Changes to these assumptions year on year lead to actuarial gains and losses. Under IPSAS, WIPO applies the corridor method to its accounting treatment of these actuarial gains and losses, which means that they are not immediately recognized in the financial statements. It should be noted that the International Financial Reporting Standards (IFRS) have now eliminated the corridor method as a means of deferring the recognition of these gains and losses. If the IPSAS standards were to follow this change in IFRS, it would potentially lead to much greater volatility in the ASHI liability recognized in the statement of financial position. As at December 31, 2014, WIPO had a total unrecognized cumulative actuarial loss of 26.6 million Swiss francs relating to ASHI.

Borrowings represent the Foundation for Buildings for International Organizations (FIPOI) loan (20.9 million Swiss francs) and the Banque Cantonale de Genève and Banque Cantonale Vaudoise (BCG/BCV) New Building loan (118.3 million Swiss francs). Total annual repayments of the principal on these loans were 5.3 million Swiss francs in 2014. In November 2015 the Organization is due to make the first of its scheduled lump sum repayments towards the reimbursement of the BCG/BCV New Building loan, for the amount of 24.0 million Swiss francs. Other liabilities totaling 64.5 million Swiss francs include mainly 63.6 million Swiss francs of current accounts held on behalf of applicants and contracting parties, and also 0.9 million Swiss francs of provisions for legal costs.

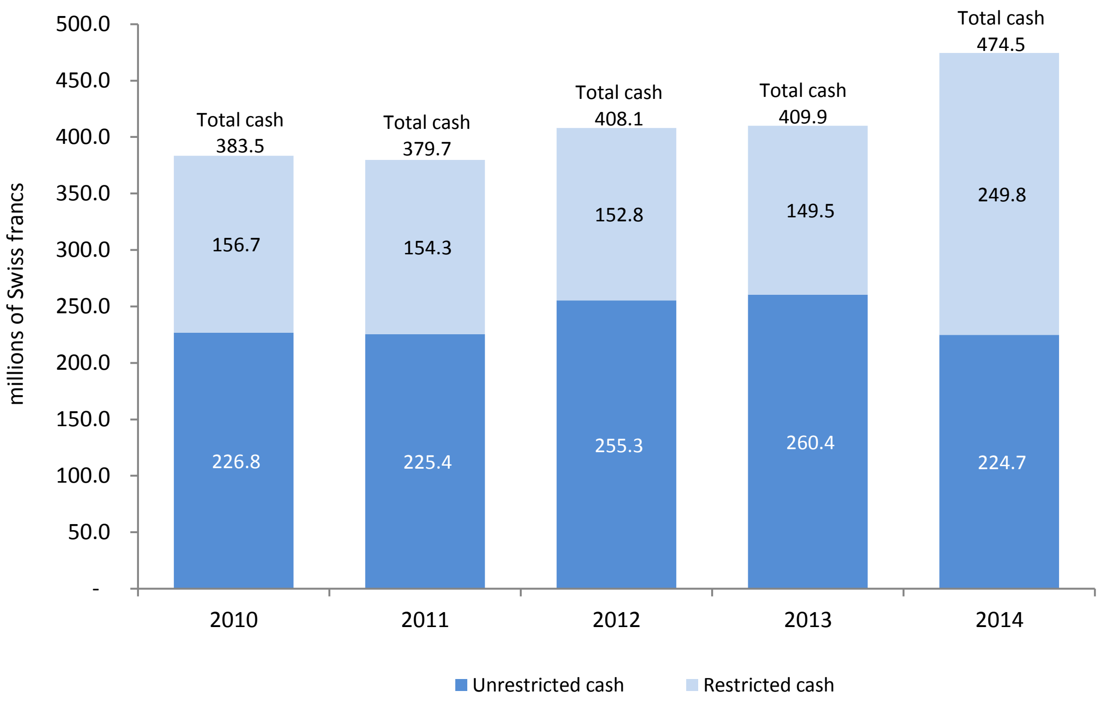
Cash Flow

The Organization's cash balance as at December 31, 2014 is 474.5 million Swiss francs, compared to 409.9 million Swiss francs as at December 31, 2013. Total cash balances have been increasing since 2011. The increase of 64.6 million Swiss francs between 2013 and 2014 is largely due to the level of cash receipts from PCT system fees during the year. There has also been an increase of 8.7 million Swiss francs in the balance of current accounts held for third parties, and an increase of 8.4 million Swiss francs in Madrid Union deposits (classified as either transfers payable or advance receipts).

In the financial statements (see Note 3), cash is presented separately between restricted and unrestricted. Restricted funds include funds held on behalf of third parties for the registration of trademarks or industrial designs, and fees collected on behalf of contracting parties to the Madrid Agreement and Protocol, Hague Agreement and on behalf of PCT International Searching Authorities (ISAs). Deposits received in connection with pending procedures related to trademarks, other than the portion estimated to represent advance receipts to the Organization, are also considered restricted funds, as are accounts held on behalf of donors of voluntary contributions.

During 2014, the Organization made a transfer of 85.2 million Swiss francs to a separate bank account established to hold funds allocated for the future financing of after service employee benefit liabilities. The balance on this account as at December 31, 2014 is also classified as restricted.

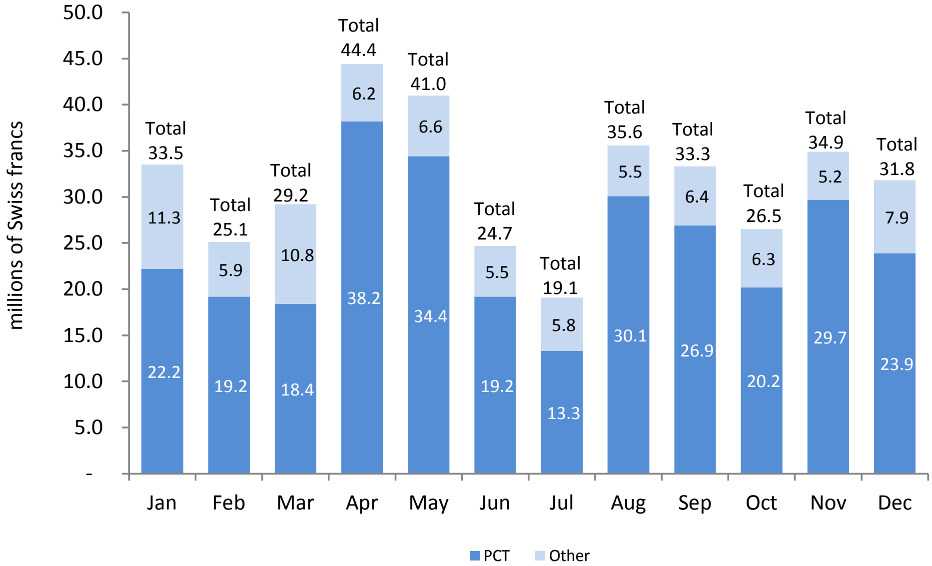
Unrestricted and restricted cash balances 2010-2014



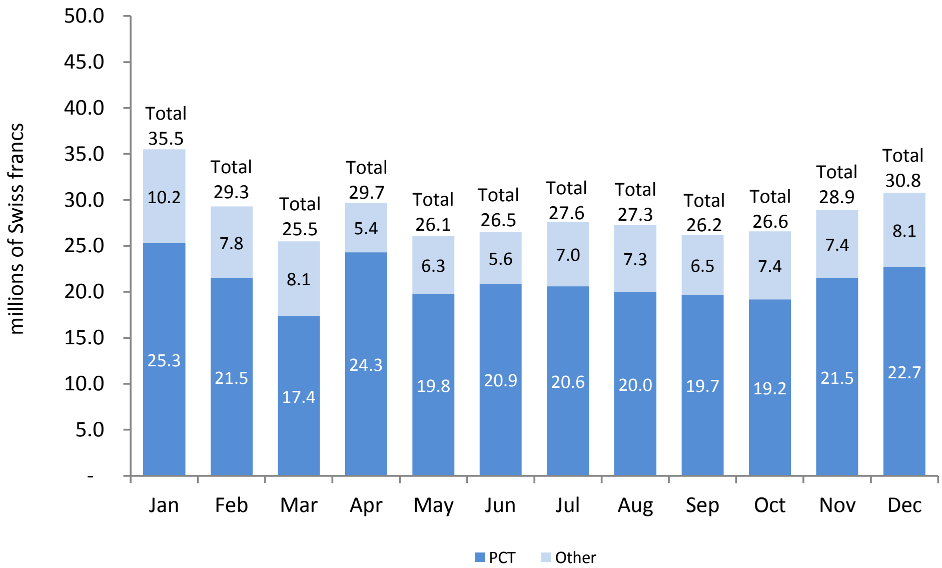
As noted above in the analysis of borrowings, in 2015 the Organization is scheduled to begin making lump sum repayments towards the reimbursement of the BCG/BCV New Building loan. The first payment for the amount of 24.0 million Swiss francs in November 2015 will obviously significantly impact the Organization's cash balance at the end of 2015.

The principal cash inflows to the Organization are payments related to PCT activities. Monthly cash inflows from PCT activities averaged 24.6 million Swiss francs during the year 2014 compared to 21.1 million Swiss francs during the year 2013, whereas monthly cash inflows from other sources averaged 7.0 million Swiss francs during the year 2014 compared to 7.3 million Swiss francs during the year 2013. As can be seen in the tables on the following page, there can be significant variations in the cash inflows between months. Inflows from PCT activities were notably higher in April and May 2014 due to catch-up payments for applications filed in 2013, combined with increased filing levels in March 2014. Inflows in July 2014 were lower than average as payments were not received during the month from two receiving offices.

Monthly cash inflows 2014



Monthly cash inflows 2013



INDEPENDENT AUDITOR'S REPORT

To

THE GENERAL ASSEMBLY
THE WORLD INTELLECTUAL PROPERTY ORGANISATION

Report on the Financial Statements

We have audited the accompanying financial statements of the World Intellectual Property Organisation (WIPO), which comprise the statement of financial position as at 31st December 2014, the statement of financial performance for the year ended 2014, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts, and notes to the financial statements, for the financial period ended 31st December 2014.

Management's Responsibility for the Financial Statements

As stated in the Notes to the Financial Statements, these financial statements and accompanying schedules and notes are prepared on the accrual basis of accounting, in accordance with International Public Sector Accounting Standards (IPSAS). Management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes (a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement - whether due to fraud or error; (b) selecting and applying appropriate accounting policies; and (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements - whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the World Intellectual Property Organisation as at 31st December 2014 and its financial performance and of its cash flows for the period 1st January 2014 to 31st December 2014 in accordance with IPSAS.

Report on Other Legal and Regulatory Requirements

Further, in our opinion, the transactions of the World Intellectual Property Organisation that have come to our notice or which we have tested as part of our audit have, in all significant respects, been in accordance with the WIPO Financial Regulations and Rules.

In accordance with the Regulation 8.10 of the Financial Regulations and Rules, we have also issued a long-form Report on our audit of the World Intellectual Property Organisation.

Shashi Kant Sharma
Comptroller and Auditor General of India
External Auditor
New Delhi, India
7 July 2015

STATEMENT I
STATEMENT OF FINANCIAL POSITION
as at December 31, 2014

(in thousands of Swiss francs)

		December 31, 2014	December 31, 2013
ASSETS	**Note**		
Current assets			
Cash and cash equivalents	3	474,508	409,916
Accounts receivable (non-exchange transactions)	4	2,005	2,677
Accounts receivable (exchange transactions)	4	58,556	76,718
Inventories	5	1,747	2,141
		536,816	491,452
Non-current assets			
Equipment	6	1,746	2,324
Investment property	7	4,785	4,785
Intangible Assets	8	29,749	29,161
Land and buildings	9	383,443	360,107
Accounts receivable (non-exchange transactions)	4	298	359
Accounts receivable (exchange transactions)	4	3,389	3,092
Other non-current assets	10	9,124	9,315
		432,534	409,143
TOTAL ASSETS		**969,350**	**900,595**
LIABILITIES			
Current liabilities			
Accounts payable	11	30,315	31,285
Employee benefits	12	19,363	17,599
Transfers payable	13	83,559	78,617
Advance receipts	14	241,756	229,101
Borrowings due within one year	15	29,258	5,258
Provisions	16	913	1,009
Other current liabilities	17	63,570	54,862
		468,734	417,731
Non-current liabilities			
Employee benefits	12	141,866	132,927
Borrowings due after one year	15	109,979	139,237
Advance receipts	14	2,978	1,881
		254,823	274,045
TOTAL LIABILITIES		**723,557**	**691,776**
Accumulated surplus	21	222,405	185,431
Working Capital Funds	21	8,342	8,342
Revaluation surplus	21	15,046	15,046
NET ASSETS		**245,793**	**208,819**

The accompanying notes form an integral part of these financial statements

Director General

STATEMENT II
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended December 31, 2014

(in thousands of Swiss francs)

	Note	2014	2013
REVENUE	23		
Assessed contributions		17,899	17,714
Voluntary contributions		8,896	7,550
Publications revenue		351	405
Investment revenue		1,619	2,080
PCT system fees		278,576	257,462
Madrid system fees		55,113	55,401
Hague system fees		3,186	3,202
Other fees		40	8
Sub-total fees		336,915	316,073
Arbitration and Mediation		1,487	1,629
Other/miscellaneous revenue		3,013	6,160
TOTAL REVENUE		**370,180**	**351,611**
EXPENSES	24		
Personnel expenditure		216,394	213,995
Interns and WIPO fellowships		2,653	1,747
Travel and fellowships		15,360	19,215
Contractual services		63,586	65,017
Operating expenses		20,851	21,121
Supplies and materials		1,803	3,265
Furniture and equipment		247	859
Depreciation, amortization and impairment		9,054	7,893
Finance costs		3,258	3,367
TOTAL EXPENSES		**333,206**	**336,479**
SURPLUS/(DEFICIT) FOR THE YEAR		**36,974**	**15,132**

STATEMENT III
STATEMENT OF CHANGES IN NET ASSETS
for the year ended December 31, 2014

(in thousands of Swiss francs)

	Note	Accumulated Surplus	Working Capital	Revaluation Surplus	Net Assets Total
Net Assets at December 31, 2012 (restated)		**170,299**	**8,342**	**15,046**	**193,687**
Surplus/(deficit) for the year 2013		15,132	-	-	15,132
Net Assets at December 31, 2013	21	**185,431**	**8,342**	**15,046**	**208,819**
Items recognized directly in net assets		-	-	-	-
Total of items recognized directly in Net Assets in 2014		**-**	**-**	**-**	**-**
Surplus for the year 2014		36,974	-	-	36,974
Net Assets at December 31, 2014	21	**222,405**	**8,342**	**15,046**	**245,793**

STATEMENT IV
STATEMENT OF CASH FLOW
for the year ended December 31, 2014
(in thousands of Swiss francs)

	Note	2014	2013
Cash flows from operating activities			
Surplus (deficit) for the period **(1)**	Statement II	36,351	16,860
Interest earned		1,619	2,080
Interest paid on borrowings		-3,137	-3,349
Depreciation, amortization and impairment	6, 8 & 9	9,054	7,893
Increase (decrease) in employee benefits	12	10,703	7,402
(Increase) decrease in inventories	5	394	157
(Increase) decrease in receivables	4	18,598	-6,284
(Increase) decrease in other assets	10	191	190
Increase (decrease) in advance receipts	14	13,752	9,148
Increase (decrease) in accounts payable	11	-970	10,196
Increase (decrease) in transfers payable	13	4,942	-4,817
Increase (decrease) in provisions	16	-96	-23
Increase (decrease) in other liabilities	17	8,708	-710
Net cash flows from operating activities		**100,109**	**38,743**
Cash flows from investing activities			
Acquisition of plant, property and equipment	6 & 9	-30,665	-28,885
Disposal of plant, property and equipment	6	9	-
Increase in intangible assets	8	-1,744	-2,342
Increase in investment property	7	-	-
Net cash flows from investing activities		**-32,400**	**-31,227**
Cash flows from financing activities			
Proceeds from borrowings	15	-	-
Repayment of borrowings	15	-5,258	-5,258
Net cash flows from financing activities		**-5,258**	**-5,258**
Effect of exchange rate changes on cash and cash equivalents	26	**2,141**	**-459**
Net increase (decrease) in cash and cash equivalents		**64,592**	**1,799**
Cash and cash equivalents at beginning of year	3	**409,916**	**408,117**
Cash and cash equivalents at end of the year	3	**474,508**	**409,916**

(1) – Excluding interest earned and interest paid on borrowings, and the effect of exchange rate changes on cash and cash equivalents. Interest earned is included in investment revenue, see Note 23. For detail of interest paid on borrowings, see Note 15. For the effect of exchange rate changes on cash and cash equivalents, see Note 26.

STATEMENT V
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS – REVENUE
for the year ended December 31, 2014

(in thousands of Swiss francs)

	Original Budget 2014 (1)	"Final" Budget 2014 (1)	Actual Revenue on comparable basis 2014	Difference 2014 (2)
Contributions	17,584	17,584	17,584	-
Fees				
PCT system	268,783	268,783	295,128	26,345
Madrid system	56,376	56,376	55,582	-794
Hague system	3,897	3,897	3,196	-701
Other fees	4	4	40	36
Sub-total fees	329,060	329,060	353,946	24,886
Arbitration and Mediation	1,400	1,400	1,487	87
Publications	600	600	351	-249
Interest	765	765	1,617	852
Other/miscellaneous	1,900	1,900	3,696	1,796
TOTAL	**351,309**	**351,309**	**378,681**	**27,372**

(1) - columns Original Budget and “Final” Budget represent the first year of the approved 2014/15 biennial budget.
(2) - represents the difference between the “Final” Budget 2014 and actual revenue on a comparable basis for the year ended December 31, 2014.

STATEMENT V
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS – EXPENSE
for the year ended December 31, 2014
(in thousands of Swiss francs)

Program	Program Title	Original Budget 2014 (1)	"Final" Budget 2014 (1)	Actual Expense on a comparable basis 2014	Difference 2014 (2)
1	Patent Law	2,475	2,475	2,601	-126
2	Trademarks, Industrial Designs & Geographic Indications	3,081	3,081	2,444	637
3	Copyright and Related Rights	8,215	8,215	7,676	539
4	Traditional Know ledge, Traditional Cultural Expressions & Genetic Resources	3,932	3,932	3,152	780
5	The PCT System	98,986	98,986	90,688	8,298
6	Madrid and Lisbon Systems	27,623	27,623	25,733	1,890
7	WIPO Arbitration and Mediation Center	5,587	5,587	4,737	850
8	Development Agenda Coordination	2,171	2,171	1,450	721
9	Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	16,162	16,162	13,592	2,570
10	Cooperation w ith Certain Countries in Europe and Asia	4,222	4,222	3,803	419
11	The WIPO Academy	5,941	5,941	5,684	257
12	International Classifications and Standards	3,658	3,658	3,552	106
13	Global Databases	2,346	2,346	2,124	222
14	Services for Access to Information and Know ledge	3,770	3,770	3,250	520
15	Business Solutions for IP Offices	5,814	5,814	5,152	662
16	Economics and Statistics	2,668	2,668	2,339	329
17	Building Respect for IP	1,994	1,994	1,872	122
18	IP and Global Challenges	3,469	3,469	3,085	384
19	Communications	8,628	8,628	8,013	615
20	External Relations, Partnerships and External Offices	6,218	6,218	4,974	1,244
21	Executive Management	9,473	9,473	9,097	376
22	Program and Resource Management	14,016	14,016	13,681	335
23	Human Resources Management and Development	11,781	11,781	12,191	-410
24	General Support Services	23,700	23,700	23,108	592
25	Information and Communication Technology	22,634	22,634	22,957	-323
26	Internal Oversight	2,558	2,558	2,329	229
27	Conference and Language Services	20,559	20,559	17,882	2,677
28	Safety and Security	5,393	5,393	5,360	33
29	New Conference Hall	417	417	350	67
30	Small and Medium Sized Enterprises (SMEs) and Innovation	3,348	3,348	2,558	790
31	The Hague System	3,794	3,794	3,357	437
UN		2,363	2,363	-	2,363
	TOTAL	**336,996**	**336,996**	**308,791**	**28,205**
	Net surplus/(deficit)	**14,313**	**14,313**	**69,890**	**55,577**
	IPSAS adjustments to surplus (3)			1,476	
	Projects financed from reserves			-35,209	
	Special Accounts financed from donor contributions			817	
	Adjusted net surplus per IPSAS			**36,974**	

(1) - columns Original Budget and "Final" Budget represent the first year of the approved 2014/15 biennial budget. The Original Budget is based on the biennial budget of 674.0 million Swiss francs, which was approved by the Assemblies of the Member States of WIPO on December 12, 2013.
(2) - represents the difference between the "Final" Budget 2014 and actual expense on a comparable basis for the year ended December 31, 2014.
(3) – the IPSAS adjustments to the surplus are detailed in Note 22 of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: OBJECTIVES AND BUDGET OF THE ORGANIZATION

The World Intellectual Property Organization (WIPO) was established in 1967, replacing the Bureau for the Protection of Intellectual Property (BIRPI) which had been established in 1893 (BIRPI in its French acronym, meaning *Bureaux Internationaux Réunis pour la Protection de la Propriété Intellectuelle*) to administer the Paris Convention for the Protection of Industrial Property (1883) and the Berne Convention for the Protection of Literary and Artistic Works (1886). In 1974, WIPO was recognized as a specialized agency of the United Nations.

WIPO carries out a wide variety of tasks related to the protection of IP rights including: assisting governments and organizations to develop the policies, structures and skills needed to harness the potential of IP for economic development; working with Member States to develop international IP law; administering treaties; managing global registration systems for trademarks, industrial designs and appellations of origin and a filing system for patents; providing dispute resolution services; and acting as a forum for informed debate and for the exchange of expertise.

The Organization functions in accordance with the WIPO convention signed in Stockholm on July 14, 1967 and amended on September 28, 1979. WIPO currently has 188 member countries. WIPO is based in Geneva, Switzerland with representation offices in Beijing, Moscow (both opened in 2014), New York, Rio de Janeiro, Singapore and Tokyo. The Organization enjoys privileges and immunities as granted under the 1947 Convention on Privileges and Immunities of Specialized Agencies of the United Nations and the 1970 Headquarters Agreement with the Swiss Federal Council, notably being exempt from paying most forms of direct and indirect taxation.

WIPO is governed by the following constituent bodies, established by the WIPO Convention, that meet at least every second year in ordinary session and may meet in extraordinary session in alternate years:

- The General Assembly, consisting of States party to the WIPO Convention which are members of any of the Unions, is responsible for appointing the Director General for a fixed term of not less than six years, for the adoption of the budget for expenses common to all Unions, adoption of the Financial Regulations, inviting States to become members and other functions specified by the Convention.

- The Conference consists of all Member States whether or not they are members of any of the Unions. The Conference adopts its budget, adopts amendments to the Convention and other functions as appropriate.

- The Coordination Committee consists of members of the Executive Committees of the Paris or the Berne Unions, one-fourth of the States party to the WIPO Convention which are not members of any of the Unions, and Switzerland, as the State on whose territory the Organization has its headquarters. The Coordination Committee nominates candidates for Director General and drafts the agendas for the General Assembly and the program and budget of the Conference and performs other duties allocated to it under the WIPO Convention.

- The Assemblies of the Berne, Hague, Nice, Lisbon, Locarno, Vienna, Budapest International Patent Classification and Paris Unions meet under the authority of the individual treaties creating each Union administered by WIPO and adopt those portions of the WIPO budget that relate to revenue and expense exclusively attributable to each of them and determine the level of the fees payable to WIPO for services rendered pursuant to each treaty.

WIPO is funded from fees derived from services provided by the Organization, assessed contributions paid by its Member States and voluntary contributions from Member States and other donors. The Organization operates within the framework of a biennial program and budget which provides the appropriations that constitute the budgetary expenditure authorizations approved by the General Assembly for each financial period. The approval of the appropriations provides the authority for the Director General to commit and authorize expenses and to make payments for the purposes assigned within the limits of the appropriations.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared on an accrual and going-concern basis and the accounting policies have been applied consistently throughout the period. The statements comply with the requirements of IPSAS.

Borrowing Costs

All of the costs incurred in connection with borrowing are treated as expenses in the period in which they are incurred. Borrowing costs (interest and fees) relating to the construction of the New Building were capitalized as work in progress during the construction phase (see Note 9). Borrowing costs (commission on undrawn loan amounts) relating to the construction of the New Conference Hall were capitalized as work in progress during the construction phase (see Note 9). Borrowing costs (interest and fees) which relate to the acquisition from the World Meteorological Organization of the land rights (*droits de superficie*) to the site on which the PCT building has been constructed have been capitalized as part of the asset value and amortized over the remaining life of the land rights (see Note 8).

Cash, Investments and Other Financial Assets

Cash and cash equivalents include cash in hand, deposits held at call with banks, deposits held up to 90 days and other short-term highly liquid investments that are readily convertible to cash and subject to insignificant risk of changes in value.

Employee Benefits

Liabilities are established for After Service Health Insurance (ASHI) and repatriation grants and travel as determined by an independent actuary on an annual basis utilizing the projected unit credit methodology of valuation. For the ASHI liability actuarial gains and losses are recognized utilizing the corridor approach and amortized over the average years of future service of active staff. In addition, liabilities are established for the value of accumulated leave, home leave not taken, overtime earned but unpaid, separation benefits and performance rewards and for education grants payable at the reporting date that have not been included in current expenditure.

WIPO is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a funded, multi-employer defined benefit plan. As specified by Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. WIPO and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify WIPO's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence WIPO has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 25. WIPO's contributions to the plan during the financial period are recognized as expenses in the statement of financial performance.

Expense Recognition

Expenses are recognized as goods are received and as services are delivered.

Financial Instruments

Financial Assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Organization determines the classification of its financial assets at initial recognition. The Organization's financial assets include cash and short-term deposits, loans, and receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with changes in fair value recognized in surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in surplus or deficit.

Derecognition

The Organization derecognizes a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived.

Impairment of financial assets

The Organization assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Financial Liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Organization determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs. The Organization's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognized in surplus or deficit.

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interestmethod amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

Foreign Currency Transactions

The functional currency of WIPO is the Swiss franc and these financial statements are presented in that currency. All transactions occurring in other currencies are translated into Swiss francs using the United Nations Operational Rates of Exchange (UNORE) which represent those prevailing at the date of the transactions. Both realized and unrealized gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of assets and liabilities denominated in currencies other than WIPO's functional currency are recognized in the Statement of Financial Performance.

Fixed Assets

Equipment is valued at cost less accumulated depreciation and impairment. Equipment is recognized as an asset if it has a cost of 5,000 Swiss francs or more per unit. Land and investment property are shown at fair value as determined by an independent valuation in accordance with International Valuation Standards. Occupied buildings are valued at the cost of construction when new plus the cost of subsequent improvements, as determined by an independent expert, less accumulated depreciation. For the initial recognition of buildings occupied at January 1, 2010, the date of transition to IPSAS, the value when new is determined by reference to a deemed cost calculated by an external consultant and representing the value of each component at construction plus improvements existing at the initial recognition, less accumulated depreciation based upon the remaining useful life of each component. Subsequent costs of major renovations and improvements to fixed assets that increase or extend the future economic benefits or service potential are valued at cost. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset and are included in the Statement of Financial Performance. Heritage assets including donated works of art are not valued in the financial statements.

Depreciation is charged so as to write off the full cost of fixed assets, other than land and properties under construction, over their estimated useful lives using the straight-line method. Where fixed assets are only in use for part of the year (due to acquisition, disposal or retirement during the year), depreciation is charged only for the months during which the asset was in use. The following ranges of useful lives are applied to the different classes of fixed assets:

Class	Component	Estimated useful life
Communications and IT equipment		5 years
Vehicles		5 years
Furniture and fixtures		10 years
Buildings:	Structure and foundations	80-100 years
	Façade	50 years
	Land Improvements	40-50 years
	Roof	50-60 years
	Floors, walls, stairways	50 years
	Flooring, wall coverings	30-40 years
	Kitchen equipment	20-40 years
	Conference fittings	5-40 years
	Heating, ventilation	30 years
	Sanitary facilities	40 years
	Electrical installation	30-50 years
	Elevators	40 years
	Exterior cleaning equipment	45 years

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate that the book value of the asset may not be recoverable. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, if any. Any impairment loss is recognized in the Statement of Financial Performance.

Inventories

Inventories include the value of publications held for sale and publications distributed free of charge, the value of supplies and materials utilized in the production of publications and the value of merchandise held in the retail shop. The total value of finished publications is determined by using an average cost per printed page (excluding costs of marketing and distribution) multiplied by the number of pages of publications held in the publications inventory, adjusted to reflect the lower of cost or net realizable value. The value of publications that are withdrawn from sale or free distribution is written off during the year in which they become obsolete.

An annual physical inventory is conducted of all stocks of publication supplies and items for sale in the retail shop. A perpetual inventory is maintained of the publications for sale and sample physical counts are undertaken throughout the year to verify inventory balances. At the end of each year items removed from the catalogue of publications for sale or free distribution, along with items for which it is anticipated that there will be no further free distribution or anticipated sales, are taken out of the inventory and their value is written down to zero.

The cost of paper and other supplies used in the production process has been valued using the first-in, first-out (FIFO) method. Items held in the retail shop are valued at cost to the Organization, and are marked down to reflect net realizable value if damaged or obsolete. No inventories are pledged as security for liabilities.

Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment. Amortization is provided on a straight-line basis on all intangible assets of finite life, at rates that will write off the cost or value of the assets over their useful lives. The useful lives of major classes of intangible assets have been estimated as follows:

Class	Estimated useful life
Software acquired externally	5 years
Software internally developed	5 years
Licenses and rights	Period of license/right

Acquired computer software licenses are capitalized based on costs incurred to acquire and bring to use the specific software. Software or software licenses purchased externally are recognized as an asset if they have a cost of 5,000 Swiss francs or more per unit. Costs that are directly associated with the development of software for use by WIPO are capitalized as intangible assets. Direct costs include the software development employee costs. Internally developed software is recognized as an asset if it has a cost of 100,000 Swiss francs or more.

The rights to use property in the Canton of Geneva acquired by the Organization through purchase have been recognized at historic cost and are amortized over the remaining period of the grant. The rights to use property granted by the Canton of Geneva acquired without cost, that revert back to the Canton at the end of the grant, are not valued in the financial statements.

Provisions

Provisions are recognized when the Organization has a legal or constructive obligation as a result of a past event, whereby it is probable that an outflow of resources will be required to settle the obligation and where a reliable estimate of the amount of the obligation can be made.

Receivables

Receivables from exchange transactions, which include the fees charged for international patents, international registration of trademarks and industrial designs and other services and publications, are measured at the fair value of the consideration received or receivable for trademarks, industrial design and PCT fees once registration of the international application has taken place and when cash is received for other revenue.

Assessed contributions are recognized as revenue at the beginning of the financial year. An allowance for non-recoverable receivables is recorded equal to the assessed contributions frozen by action of the General Assembly plus contributions receivable from Member States that have lost the right to vote in accordance with Article 11 of the Convention establishing the World Intellectual Property Organization.

For all other receivables, an allowance for non-recovery is established based on a review of the outstanding amounts at the reporting date.

Revenue Recognition

Revenue from exchange transactions comprising the fees charged for applications for international patents, including fees for additional pages, the international registration of trademarks and the international registration of industrial designs is recognized at the date of publication. Revenue from fees received for applications not published at the reporting date is deferred until publication has been completed. The portion of the patent application fee covering the costs of translation of non-English language patentability reports received after publication is also deferred until the translation is completed. All other fees related to patent, trademark and industrial design applications, including renewals, are recognized when the services covered by the fee have been provided. Revenue from publications and Arbitration and Mediation services is recognized upon full delivery of the goods or services.

Revenue from non-exchange transactions such as voluntary contributions to Special Accounts supported by enforceable agreements is recognized as revenue at the time the agreement becomes binding unless the agreement includes conditions related to specific performance or the return of unexpended balances. Such agreements require initial recognition of a liability to defer revenue recognition and then revenue is recognized as the liability is discharged through performance of the specific conditions included in the agreement.

Assessed contributions are recognized as revenue at the beginning of each year of the budget period to which the assessment relates.

Segment Reporting

Segment reporting is based upon the Unions that form the World Intellectual Property Organization. Revenue and expense incurred by the Organization is allocated among the Unions in accordance with an allocation methodology approved by the WIPO Assembly [Program and Budget 2014/15, Annex III]. The methodology allocates revenue and expense to each program and then to each Union based on a combination of direct revenue and expense, staff head count and each Union's ability to pay which is itself determined according to a combination of current revenue and reserves. WIPO's assets and liabilities are not allocated to individual segments, since ownership rests with the Organization as a whole, however, each Union's share of the Organization's net assets including accumulated fund balances, revaluation surplus and working capital funds is recognized by segment (see Note 28).

Changes in Presentation

The following presentation changes have been made to the 2013 comparative numbers in order to align these with the classification of items in the 2014 financial statements:

- 3.4 million Swiss francs has been reclassified from operating expenses to finance costs, which are now presented separately in the Statement of Financial Performance;
- 0.5 million Swiss francs has been reclassified from personnel expenditure to interns and WIPO fellowships, which are now presented separately in the Statement of Financial Performance. This concerns the cost of interns, which are no longer included as part of personnel expenditure to more appropriately reflect the nature of the relationship of these individuals with the Organization;
- 1.3 million Swiss francs has been reclassified from travel and fellowships to interns and WIPO fellowships, which are now presented separately in the Statement of Financial Performance. Previously a single fellowship category was included within travel and fellowships, however following the implementation of the Organization's contractual reform there are two fellowship categories requiring separate recognition, WIPO fellowships and course fellowships. Course fellowships remain as part of travel and fellowships;
- In the Statement of Financial Position, 3.1 million Swiss francs relating to USA taxes reimbursable has been reclassified from current to non-current accounts receivable (exchange transactions);
- In the Statement of Financial Position, 0.1 million Swiss francs relating to separation benefits has been reclassified from accounts receivable (exchange transactions) to employee benefits).

Use of Estimates

The financial statements necessarily include amounts based on estimates and assumptions by management. Estimates include, but are not limited to: defined benefit medical insurance and other post-employment benefit obligations (the value of which is calculated by an independent actuary), amounts for litigation, valuation of publications inventory, financial risk on accounts receivable, accrued charges and the degree of impairment of fixed assets. Actual results could differ from these estimates. Changes in estimates are reflected in the period in which they become known.

All balances are presented in thousands of Swiss francs, as a result small rounding differences may occur.

NOTE 3: CASH AND CASH EQUIVALENTS

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Cash on hand	12	19
Deposits with banks - Swiss francs	42,492	22,157
Deposits with banks - other currencies	25,459	4,896
Funds invested with FDF - Swiss francs	156,674	233,081
Other short-term investments - Swiss francs	110	227
Total unrestricted cash	**224,747**	**260,380**
Current accounts held for third parties - Swiss francs	55,982	48,265
Current accounts held for third parties - other currencies	7,588	6,597
Fees collected on behalf of contracting parties - Swiss francs	83,559	78,617
Funds held for after service employee benefits	85,248	-
Deposits with banks restricted Special Accounts - Swiss francs	16,730	14,845
Deposits with banks restricted Special Accounts - other currencies	654	1,212
Total restricted cash	**249,761**	**149,536**
Total cash and cash equivalents	**474,508**	**409,916**

Cash deposits are generally held in instant access bank accounts and interest-bearing accounts. The average rate of interest earned on interest bearing accounts and investments held with the Swiss Federal Finance Administration (AFF) was 0.421 per cent in 2014 [0.558 per cent in 2013]. Following the implementation of new provisions by the AFF relating to the opening and keeping of deposit accounts, from the end of 2015 WIPO will no longer be able to hold deposits with them.

Restricted funds include funds held on behalf of third parties for the registration of trademarks or industrial designs, subscriptions to WIPO periodicals, etc. Also included are fees collected on behalf of contracting parties to the Madrid Agreement and Protocol, Hague Agreement and on behalf of PCT International Searching Authorities (ISAs) by the WIPO International Bureau Receiving Office. In addition, the deposits received in connection with pending procedures related to trademarks, other than the portion estimated to represent advance receipts to the Organization, represent funds collected on behalf of third parties and are considered restricted funds.

In 2014 the Organization made a transfer of 85.2 million Swiss francs to a separate bank account established to hold funds allocated for the future financing of after service employee benefit liabilities. These funds are also classified as restricted.

Special Accounts held on behalf of donors of voluntary contributions are deposited in the currency in which expenditures will be reported, based upon agreements with donors.

NOTE 4: ACCOUNTS RECEIVABLE, ADVANCES AND PREPAYMENTS

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Receivable non-exchange transactions - Contributions		
Unitary contributions	482	1,339
Voluntary contributions	1,523	1,338
	2,005	2,677
Receivable exchange transactions		
Publication debtors	120	151
PCT debtors	46,653	62,398
Madrid debtors	388	1,033
Hague debtors	1	2
Other debtors	1,793	1,223
Swiss taxes reimbursable	24	38
USA taxes reimbursable	1,303	281
Concessionary advance for USA taxes	329	295
Staff advances for education grants	4,902	4,488
Other funds advanced to staff	704	553
UPOV expenditure reimbursable	931	542
Funds advanced to UNDP	509	504
Advance for FCIG concessionary loan	121	119
Prepaid expenditure	589	4,902
FCIG loan amortization	189	189
	58,556	76,718
Total current accounts receivable	**60,561**	**79,395**
Receivable non-exchange transactions - Contributions		
Paris Union	99	118
Berne Union	187	227
Nice Union	10	12
Locarno Union	2	2
	298	359
Receivable exchange transactions		
USA taxes reimbursable	3,389	3,092
	3,389	3,092
Total non-current accounts receivable	**3,687**	**3,451**
Total accounts receivable	**64,248**	**82,846**

Assessed contributions represent uncollected revenue related to the WIPO unitary contribution system approved by the Assemblies of the Member States and the Unions administered by WIPO. The Assemblies fix the value of a contribution unit in Swiss francs together with the Budget for a biennial financial period. Contribution classes are each required to contribute a specific number of contribution units. Member States are free to choose the class determining the basis under which they will contribute, other than certain developing countries that automatically belong to one of three special classes.

An allowance has been established to offset both the value of receivables due from assessed contributions and the working capital fund contributions due from Unions which relate to periods prior to the introduction of unitary contributions in 1994. The allowance covers amounts due from Member States that have lost the right to vote under Article 11, paragraph 5 of the WIPO Convention and contributions from least developed countries which have been frozen by action of the Assemblies. The total of the allowance as at December 31, 2014 is 6.8 million Swiss francs [7.1 million Swiss francs as at December 31, 2013].

PCT debtors represent unpaid international filing fees for PCT applications filed prior to the reporting date. This includes an estimate of those international patent applications received by national receiving offices prior to the reporting date but not transferred to the Organization’s PCT International Bureau by the reporting date.

International staff, other than those living in their home country, are eligible to receive a grant covering 75.0 per cent of the costs of education for dependent children until the fourth year of post-secondary school studies, but not beyond the end of the school year in which the child reaches the age of 25. Maximum grants are established for each country. International staff are eligible to receive an advance equal to the estimated amount of the education grant for each child at the beginning of the scholastic year. Staff advances for education grants represent the total grants advanced for the 2014-2015 scholastic year.

Funds advanced to the United Nations Development Program (UNDP) are utilized to make payments on behalf of the Organization. The total debtor amount shown includes amounts for requests made to UNDP for payments for which confirmation has not yet been received or for which the confirmation is in the process of being verified. UPOV expenditure reimbursable represents payments made on behalf of the International Union for the Protection of New Varieties of Plants by the Organization for which reimbursement has not yet been received.

The USA taxes receivable represents amounts advanced to members of staff to reimburse them for the payment of income taxes to the United States of America. Under agreements between the Organization and the USA, these amounts are reimbursable to the Organization. USA taxes reimbursable are measured at amortized cost, which is calculated based on historical payment patterns. Swiss taxes reimbursable include payments for VAT, stamp tax and Swiss Federal withholding tax for which the Organization is eligible for reimbursement under its headquarters agreement with the Government of Switzerland.

NOTE 5: INVENTORIES

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Finished publications	1,575	1,938
Paper supplies	54	128
Retail Shop	118	75
Total inventory	**1,747**	**2,141**

The write-down of finished publications inventories to net realizable value amounted to 0.1 million Swiss francs (0.2 million Swiss francs in 2013). There have been no reversals of write-downs.

NOTE 6: EQUIPMENT

Movement 2014	Equipment	Furniture & Furnishings	Total
	(in thousands of Swiss francs)		
January 1, 2014			
Gross carrying amount	15,222	2,906	**18,128**
Accumulated depreciation	-13,501	-2,303	**-15,804**
Net carrying amount	**1,721**	**603**	**2,324**
Movements in 2014:			
Additions	242	14	**256**
Disposals	-5,055	-271	**-5,326**
Disposals depreciation	5,052	265	**5,317**
Depreciation	-746	-79	**-825**
Total movements in 2014	-507	-71	**-578**
December 31, 2014			
Gross carrying amount	10,409	2,649	**13,058**
Accumulated depreciation	-9,195	-2,117	**-11,312**
Net carrying amount	**1,214**	**532**	**1,746**

Movement 2013	Equipment	Furniture & Furnishings	Total
	(in thousands of Swiss francs)		
January 1, 2013			
Gross carrying amount	14,920	2,836	**17,756**
Accumulated depreciation	-13,015	-2,224	**-15,239**
Net carrying amount	1,905	612	**2,517**
Movements in 2013:			
Additions	743	79	**822**
Disposals	-441	-9	**-450**
Disposals depreciation	441	9	**450**
Depreciation	-927	-88	**-1,015**
Total movements in 2013	-184	-9	**-193**
December 31, 2013			
Gross carrying amount	15,222	2,906	**18,128**
Accumulated depreciation	-13,501	-2,303	**-15,804**
Net carrying amount	**1,721**	**603**	**2,324**

All equipment in the inventory is valued at cost less depreciation based upon the straight-line basis. Furniture and furnishings are depreciated over a ten year useful life. All other equipment is depreciated over a five year useful life. Equipment disposed of during 2014 principally concerned obsolete equipment with a gross carrying amount of 5.3 million Swiss francs and, after accumulated depreciation, a net carrying amount of 8,771 Swiss francs. This disposals figure includes the write-off of equipment which could not be located, with a gross carrying amount of 0.8 million Swiss francs and a net carrying amount of 5,657 Swiss francs. Heritage assets including donated works of art are not recognized as assets on the Statement of Financial Position.

NOTE 7: INVESTMENT PROPERTY

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Opening balance	4,785	4,785
Fair value gains/(losses) on valuation	-	-
Closing balance	**4,785**	**4,785**

The Organization acquired in 1974 the Madrid Union Building, an investment property in Meyrin, Canton of Geneva, Switzerland. The building had first been brought into service in 1964. The property is held at fair value based on a valuation at December 31, 2012 carried out by an independent expert holding recognized and relevant professional qualifications with recent experience in property valuation in the Canton of Geneva. Fair value was determined on an investment based valuation, whereby the future income stream from the property is capitalized at an appropriate investment yield. The yield was selected by reference to the perceived quality and duration of the income and the potential for further rental growth and was cross-referenced by the evidence provided by comparable sales. The valuation as at December 31, 2012 resulted in an increase in the fair value of the building of 0.5 million Swiss francs. This increase was recognized in 2012 as investment revenue in the statement of financial performance.

The leasing of apartments, parking and other facilities in the Madrid Union Building is managed by a leasing agent responsible for collecting all rental income and paying for all expenditures incurred in the operation of the building. Leases are generally for periods of two years and are based on the form of lease approved by the Canton of Geneva. All leases are non-cancellable during the period of the lease. The managing agent receives 3.9 per cent of the gross rental income as compensation for its services. The value of non-cancellable leases at December 31, 2014 is as follows:

	December 31, 2014	December 31, 2013
Non-cancellable leases	*(in thousands of Swiss francs)*	
Not later than one year	337	337
Later than one year and not later than five years	866	302
Later than five years	13	7
Total non-cancellable operating leases	**1,216**	**646**

In 2014 the income from rental of the building totaled 377 thousand Swiss francs, and the operating expenditures of the building totaled 211 thousand Swiss francs. The Organization is not aware of any restrictions on the realizability or remittance of revenue from the investment property.

The operating expenditures do not include depreciation of the building. At the reporting date there are no contractual obligations to purchase, construct or develop investment property nor for the repairs, maintenance or enhancement of the existing property.

NOTE 8: INTANGIBLE ASSETS

Movement 2014	Land surface rights	Software externally acquired	Software internally developed	Intangible assets under development	Total
		(in thousands of Swiss francs)			
January 1, 2014					
Gross carrying amount	34,290	709	-	2,193	**37,192**
Accumulated amortization	-7,840	-191	-	-	**-8,031**
Net carrying amount	26,450	518	-	2,193	**29,161**
Movements in 2014:					
Additions	-	94	-	1,650	**1,744**
Transfers	-	-	3,258	-3,258	**-**
Disposals	-	-	-	-	**-**
Disposals amortization	-	-	-	-	**-**
Amortization	-439	-156	-561	-	**-1,156**
Total movements in 2014	-439	-62	2,697	-1,608	**588**
December 31, 2014					
Gross carrying amount	34,290	803	3,258	585	**38,936**
Accumulated amortization	-8,279	-347	-561	-	**-9,187**
Net carrying amount	**26,011**	**456**	**2,697**	**585**	**29,749**

Movement 2013	Land surface rights	Software externally acquired	Software internally developed	Intangible assets under development	Total
		(in thousands of Swiss francs)			
January 1, 2013					
Gross carrying amount	34,290	516	-	44	**34,850**
Accumulated amortization	-7,400	-56	-	-	**-7,456**
Net carrying amount	26,890	460	-	44	**27,394**
Movements in 2013:					
Additions	-	193	-	2,149	**2,342**
Disposals	-	-	-	-	**-**
Disposals amortization	-	-	-	-	**-**
Amortization	-440	-135	-	-	**-575**
Total movements in 2013	-440	58	-	2,149	**1,767**
December 31, 2013					
Gross carrying amount	34,290	709	-	2,193	**37,192**
Accumulated amortization	-7,840	-191	-	-	**-8,031**
Net carrying amount	**26,450**	**518**	**-**	**2,193**	**29,161**

In 1996, the Organization acquired from the World Meteorological Organization (WMO) the land surface rights to parcel 4008 in Petit-Saconnex in the City of Geneva that had been granted to WMO by the Republic and Canton of Geneva at a cost of 34.3 million Swiss francs including interest and fees. At the date of purchase the original rights had a remaining period of 78 years under Swiss law expiring in 2073, unless renewed by the Canton. The historic cost is being amortized over the remaining useful life. The land on which the A. Bogsch and G. Bodenhausen buildings are located is the property of the Republic and Canton of Geneva which has granted the Organization surface rights including the right to construct buildings for a period of 60 years with an option exercisable solely by the Organization of an extension for an additional period of 30 years. These surface rights were acquired by the Organization at no cost and no value has been recognized, as the Organization does not have the right to dispose of the rights which revert to the Republic and Canton of Geneva unless renewed.

As from January 1, 2012, WIPO has been capitalizing the cost of externally acquired and internally developed software. Intangible assets under development relate to internally developed software which has not yet been brought into use.

NOTE 9: LAND AND BUILDINGS

The Organization's land and buildings comprise its headquarters at Place des Nations, Geneva, Switzerland and include land, buildings under construction and occupied buildings. Following the transition to International Public Sector Accounting Standards from January 1, 2010, buildings which were occupied at that date were valued at an amount determined independently by external consultants, which represents the estimated value of the building when new (deemed cost of construction) including the estimated value of renovations and major repairs made since original occupancy less accumulated depreciation and impairment. Buildings which are brought into use after January 1, 2010 are initially valued at cost. All buildings are depreciated according to the straight-line method based upon the useful life of each major component of the building.

The land upon which the New Building was constructed was acquired by the Organization at a cost of 13.6 million Swiss francs in 1998 and was revalued to fair value based on International Valuation Standards as determined by an independent appraiser at December 31, 2009 at 28.6 million Swiss francs. The net result of the revaluation of 15.0 million Swiss francs is included in the revaluation surplus which forms part of WIPO's net assets. An updated valuation of the land was performed by an independent appraiser at December 31, 2013. This valuation indicated no change in the fair value of the land from the 28.6 million Swiss francs previously estimated. Market value was estimated by capitalizing at an appropriate investment yield the future potential income stream from the property. The potential income is based on comparable rentals in the market and takes into account the quality of the spaces as well as the location. The yield has been selected by reference to the perceived quality and duration of the income and the potential for further rental growth and is cross-referenced by the evidence provided by comparable sales.

In October 2009, the General Assembly approved the construction of a New Conference Hall (NCH) building, to be physically connected to the A. Bogsch (AB) building. The project was completed in 2014, and the NCH was brought into use in September 2014. This project also involved the part demolition and subsequent rebuild and improvement of areas of the AB building. The demolished areas were recorded as impairments during the construction phase. The impaired areas have now been derecognized from the financial statements due to their replacement by the completed rebuilds and improvements. WIPO is also undertaking a project to upgrade the safety and security standards of its existing buildings, in line with the implementation of the recommendations of the United Nations Security Management System. This involves upgrading to the United Nations Headquarters Minimum Operating Security Standards (H-MOSS). The project includes construction of a security perimeter, a new access centre and internal security measures. Costs relating to this construction project incurred by the Organization have been capitalized as work-in-progress during 2014, and the project is expected to be completed in the first half of 2015. The construction project has been partly financed by the Foundation for Buildings for International Organizations (FIPOI). Construction work financed by the FIPOI has been capitalized within work-in-progress, and a corresponding amount recognized as deferred revenue (see Note 14).

Movements for land and buildings in 2014

Movement 2014	Land	Work in Progress		Occupied Buildings						Total Land and Buildings
	New Building Site	Security Construction	New Conference Hall	New Conference Hall	New Building	A. Bogsch Building	G. Bodenhausen Building I	G. Bodenhausen Building II	PCT Building	
Year in Service	1998	N/A	N/A	2014	2011	1978	1960	1987	2003	
					(in thousands of Swiss francs)					
January 1, 2014										
Cost/valuation	28,600	6,360	51,308	-	164,936	48,507	10,809	4,523	67,408	**382,451**
Accumulated depreciation and impairment charges	-	-	-	-	-7,627	-7,579	-1,307	-462	-5,369	**-22,344**
Net carrying amount	**28,600**	**6,360**	**51,308**	**-**	**157,309**	**40,928**	**9,502**	**4,061**	**62,039**	**360,107**
Movements in 2014										
Additions	-	3,450	24,258	-	1,313	1,333	17	-	38	**30,409**
Transfers	-	2,700	-75,566	67,926	-	4,940	-	-	-	**-**
Decrecognition impaired cost	-	-	-	-	-	-1,810	-	-	-	**-1,810**
Derecognition accumulated impairment and depreciation	-	-	-	-	-	1,810	-	-	-	**1,810**
Impairment	-	-	-	-	-	-	-	-	-	**-**
Depreciation	-	-	-	-672	-3,077	-1,521	-338	-121	-1,344	**-7,073**
Total movements in 2014	**-**	**6,150**	**-51,308**	**67,254**	**-1,764**	**4,752**	**-321**	**-121**	**-1,306**	**23,336**
December 31, 2014										
Cost/valuation	28,600	12,510	-	67,926	166,249	52,970	10,826	4,523	67,446	**411,050**
Accumulated depreciation and impairment charges	-	-	-	-672	-10,704	-7,290	-1,645	-583	-6,713	**-27,607**
Net carrying amount	**28,600**	**12,510**	**-**	**67,254**	**155,545**	**45,680**	**9,181**	**3,940**	**60,733**	**383,443**

Movements for land and buildings in the prior year 2013

Movement 2013	Land	Work in Progress		Occupied Buildings					Total Land and Buildings
	New Building Site	Security Construction	New Conference Hall	New Building	A. Bogsch Building	G. Bodenhausen Building I	G. Bodenhausen Building II	PCT Building	
Year in Service	1998	N/A	N/A	2011	1978	1960	1987	2003	
					(in thousands of Swiss francs)				
January 1, 2013									
Cost/valuation	28,600	2,269	29,739	163,778	47,810	10,553	4,302	67,337	**354,388**
Accumulated depreciation and impairment charges	-	-	-	-4,573	-6,126	-973	-343	-4,026	**-16,041**
Net carrying amount	**28,600**	**2,269**	**29,739**	**159,205**	**41,684**	**9,580**	**3,959**	**63,311**	**338,347**
Movements in 2013									
Additions	-	4,091	21,569	1,158	697	256	221	71	**28,063**
Transfers	-	-	-	-	-	-	-	-	**-**
Impairment	-	-	-	-	-	-	-	-	**-**
Depreciation	-	-	-	-3,054	-1,453	-334	-119	-1,343	**-6,303**
Total movements in 2013	**-**	**4,091**	**21,569**	**-1,896**	**-756**	**-78**	**102**	**-1,272**	**21,760**
December 31, 2013									
Cost/valuation	28,600	6,360	51,308	164,936	48,507	10,809	4,523	67,408	**382,451**
Accumulated depreciation and impairment charges	-	-	-	-7,627	-7,579	-1,307	-462	-5,369	**-22,344**
Net carrying amount	**28,600**	**6,360**	**51,308**	**157,309**	**40,928**	**9,502**	**4,061**	**62,039**	**360,107**

NOTE 10: OTHER NON-CURRENT ASSETS

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Loan to FCIG	8,184	8,065
Advance for FCIG concessionary loan	374	495
FCIG loan amortization	566	755
Total other non-current assets	**9,124**	**9,315**

In 1991 the Organization entered into an agreement with the International Centre of Geneva Foundation (FCIG) related to the construction of a building on rue des Morillons in Geneva, Switzerland at a total cost of 20.4 million Swiss francs. The agreement provided for the Organization to advance the initial sum of 10.0 million Swiss francs, plus a further sum of 1.0 million Swiss francs representing interest on the initial advance, equaling a total advance of 11.0 million Swiss francs. The balance of the construction cost was covered by a mortgage between FCIG and the Banque Cantonale de Genève. The Organization also entered into an agreement to lease the building from FCIG. The lease agreement was renewed for a period of seven years from January 1, 2012.

Under the current lease agreement between the Organization and FCIG, both parties have the right to terminate the agreement at any point through mutual consent formalized in writing. The annual amount of rent payable by WIPO is equivalent to the annual repayments (interest plus repayments of the principal) on the mortgage between FCIG and the Banque Cantonale de Genève. The rent paid by WIPO on this basis during 2014 totaled 234,124 Swiss francs (235,709 Swiss francs during 2013). The current rate of interest, fixed through to December 31, 2018, is 1.48 per cent. From January 1, 2012, WIPO also recognizes an annual amortization charge of 188,679 Swiss francs against its advance to FCIG. Further, the Organization also leases covered parking spaces at an annual cost of 148,452 Swiss francs. In the absence of a mutual termination of the lease agreement, WIPO's future payments (including the mortgage repayments, the amortization of the advance and the rental of parking spaces) until the end of the lease in 2018 would be as follows:

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Not later than one year	570	423
Later than one year and not later than five years	1,699	2,269
Later than five years	-	-
Total future lease payments	**2,269**	**2,692**

Upon vacating the premises, WIPO is to be repaid the balance of the 11.0 million Swiss francs advance after amortization. FCIG will also retain 1.0 million Swiss francs from the advance for restoration of the building to its original condition.

For presentation in the financial statements, the total value of the amortization is treated as an advance payment of rent, and is split into both its current portion (see Note 4) and non-current portion. The total value of this advance payment as at December 31, 2014 is 0.8 million Swiss francs. The remaining balance of WIPO's advance to FCIG is treated as a concessionary loan in accordance with IPSAS, and is measured at amortized cost. The interest-free element of the concessionary loan is also recognized as an advance payment, and is split into both its current portion (see Note 4) and non-current portion. This advance payment is reduced over the period of rental agreement, and as at December 31, 2014 has a total value of 0.5 million Swiss francs.

NOTE 11: ACCOUNTS PAYABLE

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Trade creditors - Accounts payable	22,084	24,856
Miscellaneous transitory liabilities	8,187	4,342
Other trade creditors	44	2,087
Total accounts payable	**30,315**	**31,285**

Accounts payable includes invoices received from suppliers not yet settled including the revaluation of invoices payable in currencies other than the Swiss franc.

NOTE 12: EMPLOYEE BENEFITS

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Accumulated leave	2,426	2,009
Separation benefits	506	301
Closed pension fund	289	328
Repatriation grant and travel	1,872	1,374
Home leave not taken	529	479
Accrued overtime	528	755
Education grant	1,925	1,783
Performance rewards	213	125
After Service Health Insurance	11,075	10,445
Total current employee benefit liabilities	**19,363**	**17,599**
Closed pension fund	2,542	2,758
Accumulated leave	10,496	10,167
Repatriation grant and travel	12,045	10,877
After Service Health Insurance	116,783	109,125
Total non-current employee benefit liabilities	**141,866**	**132,927**
Total employee benefit liabilities	**161,229**	**150,526**

Employee benefits comprise:

Short-term employee benefits that include salary, allowances, grant on initial assignment, grants for the education of dependent children, paid annual leave, paid sick leave, accident and life insurance;

Post-employment benefits which include separation benefits consisting of grants upon repatriation, repatriation travel and shipping of personal effects and After Service Health Insurance (ASHI);

Termination benefits which include an indemnity payable to staff members holding a permanent or fixed term contract whose appointment is terminated by the Organization prior to the end of their contract.

Short-Term Employee Benefits

The Organization has recognized liabilities for the following short-term benefits, the value of which is based on the amount payable to each staff member at the reporting date.

Accumulated leave: Staff members are eligible for 30 days annual leave. Under the Staff Regulations and Rules (SRR) staff members may accrue up to 15 days of annual leave in a given year, and a total accumulated balance of 60 days. However, those staff members who accumulated more than 60 days prior to January 1, 2013, are entitled to retain them until January 1, 2018. Although annual leave is a short-term employee benefit, as staff have the right to accumulate unused annual leave and receive payment in lieu thereof on separation from service, a portion of accumulated leave is classed as a non-current liability. The total outstanding liability at the reporting date is 12.9 million Swiss francs [12.2 million Swiss francs at December 31, 2013].

Home Leave: Internationally recruited staff members are eligible for home leave for themselves and their dependents to the country from which they were recruited every second year. The total outstanding liability for home leave earned but not taken at the reporting date is 0.5 million Swiss francs [0.5 million Swiss francs at December 31, 2013].

Overtime: Certain staff members are eligible to be paid in cash for overtime accrued after the expiry of a period established in the Staff Regulations and Rules. The total amount payable at the reporting date is 0.5 million Swiss francs [0.8 million Swiss francs at December 31, 2013].

Education grant: International staff, other than those living in their home country, are eligible to receive a grant covering 75.0 per cent of the costs of education for dependent children until the fourth year of post-secondary school studies, but not beyond the end of the school year in which the child reaches the age of 25. The liability for education grants payable relates to the number of months which have elapsed between the start of the school year/university year and December 31, 2014 for which fees are therefore due. The total liability at the reporting date is 1.9 million Swiss francs [1.8 million Swiss francs at December 31, 2013].

Performance rewards: In 2013 WIPO launched a rewards and recognition program under which staff achieving a performance rating of outstanding may be considered for payment of a lump sum cash reward of either 2,500 Swiss francs or 5,000 Swiss francs. Based on decisions taken during the year, the total amount of performance rewards payable to staff as at December 31, 2014 totaled 0.2 million Swiss francs [0.1 million Swiss francs at December 31, 2013].

Post-Employment Benefits

Closed Pension Fund (CROMPI): Prior to becoming a participating organization in the UNJSPF, the WIPO's predecessor organization had its own pension fund established in 1955. This pension fund was closed to new members on 30 September 1975 and continues for those who were members at the time of closure under the management of a Foundation Council. In accordance with a convention between the Closed Pension Fund and the Organization and with a decision of the ILO Administrative Tribunal, WIPO is responsible for financing costs incurred by the Closed Pension Fund related to foreign exchange differences and to differences in the retirement age as stipulated by the Closed Pension Fund and that of the UNJSPF. The Organization has several obligations related to participants in the closed pension fund including:

- the obligation to cover the cost of pensions paid to former staff participating in the closed pension fund before they reach the age of 65. Based upon the latest actuarial valuation performed for 2014, the estimated liability as at December 31, 2014 is 13 thousand Swiss francs [47 thousand Swiss francs in 2013].

- the obligation, based upon a decision of the Administrative Tribunal of the International Labour Organization in 2006, to cover certain differences between the pension receivable of closed pension fund members under the closed pension fund and that receivable from the UNJSPF which, based upon the latest actuarial valuations performed for 2014, is estimated at 2.8 million Swiss francs as at December 31, 2014 [3.0 million Swiss francs in 2013].

Repatriation grant and travel: The Organization has a contractual obligation to provide benefits such as repatriation grants, travel and removal for certain internationally recruited staff members at the time of their separation from service. For professional staff in temporary positions, the cost of repatriation travel and removal on separation from service is estimated by WIPO and is treated as a current liability. For internationally recruited professional staff in posts, the liability for repatriation grant, travel and removal is calculated by an independent actuary. The total liability was estimated as follows at the reporting date:

			December 31, 2014	December 31, 2013
	Actuarial Valuation	WIPO Estimate	Total	Total
		(in thousands of Swiss francs)		
Current liability	1,234	638	1,872	1,374
Non-current liability	12,045	-	12,045	10,877
Total liability for repatriation grant and travel	**13,279**	**638**	**13,917**	**12,251**

Concerning the actuarial valuation of repatriation grant and travel, the table below details the expense for repatriation grant and travel recognized in the statement of financial performance:

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Interest cost	228	188
Current service cost	998	971
Actuarial (gain)/loss	176	-498
Expense recognized in the statement of financial performance	**1,402**	**661**

Actuarial gains and losses for repatriation grant and travel are recognized immediately in the statement of financial performance. The table below details the changes in the repatriation grant and travel defined benefit obligation:

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Defined benefit obligation at beginning of year	12,097	12,215
Interest cost	228	188
Current service cost	998	971
Contribution paid	-220	-779
Actuarial (gain)/loss on obligation	176	-498
Defined benefit obligation at end of year	**13,279**	**12,097**

Contributions paid by the Organization for repatriation grant and travel totaled 0.2 million Swiss francs for 2014 (0.8 million Swiss francs in 2013). Expected contributions to repatriation grant and travel in 2015 are 1.5 million Swiss francs.

The following table details the present value of the defined benefit obligation and experience adjustments arising on the repatriation grant and travel liability for 2014 and the previous four years:

	2014	2013	2012	2011	2010
	(in thousands of Swiss francs)				
Defined benefit obligation	13,279	12,097	12,215	8,909	8,791
Experience (gain)/loss adjustments on plan liability	-1,295	-41	2,122	3	-1,768

The principal assumptions used in determining the repatriation grant and travel liability and defined benefit obligation were as follows:

	December 31, 2014	December 31, 2013
Weighted-average assumptions to determine benefit obligations		
Discount rate	0.80%	1.90%
Rate of salary increase	3.52%	3.36%
Weighted-average assumptions to determine net cost		
Discount rate	1.90%	1.60%
Rate of salary increase	3.36%	3.44%

***After Service Health Insurance (ASHI)*:** The Organization also has a contractual obligation to provide post-employment medical benefits for its staff members in the form of insurance premiums for the medical and accident insurance plan. Staff members (and their spouses, dependent children and survivors) retiring from service are eligible for ASHI coverage if they continue to participate in the ASHI scheme after separation from service. In accordance with WIPO's Staff Regulations and Rules, a share of 65 per cent of the monthly medical insurance premium is paid by the organization. From January 1, 2015, monthly medical premiums amount to 538 Swiss francs for adults and 240 Swiss francs for children (previously 552 Swiss francs and 245 Swiss francs for adults and children respectively). The present value of the defined benefit obligations for post-employment medical benefits is determined using the projected unit credit method including discounting the estimated future cash outflows using a discount rate based upon both Swiss franc high grade corporate bonds and Swiss government bonds. The plan is unfunded and no plan assets are held in a long-term employee benefit fund. On the basis of an actuarial valuation carried out in December 2014 by an independent office, this liability was estimated as follows at the reporting date:

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Current liability	11,075	10,445
Non-current liability	116,783	109,125
Total liability for After Service Health Insurance	**127,858**	**119,570**

The table below details the expense for ASHI recognized in the statement of financial performance:

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Interest cost	3,410	2,864
Current service cost	7,036	7,556
Amortization of net actuarial (gain)/loss	354	554
Expense recognized in the statement of financial performance	**10,800**	**10,974**

WIPO applies the corridor method for the recognition of actuarial gains and losses for ASHI. Under this accounting policy, a portion of net actuarial gains and losses is recognized if the net cumulative unrecognized gains and losses at the end of the previous reporting period exceed 10 per cent of the present value of the defined benefit obligation at that date. The following table details the changes in the ASHI defined benefit obligation, and reconciles the defined benefit obligation to the liability recognized in the statement of financial position:

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Defined benefit obligation at beginning of year	137,670	131,320
Interest cost	3,410	2,864
Current service cost	7,036	7,556
Contribution paid	-2,512	-2,341
Actuarial (gain)/loss on obligation	8,845	-1,729
Defined benefit obligation at end of year	**154,449**	**137,670**
Net actuarial gain/(loss) unrecognized	-26,591	-18,100
Liability recognized in the statement of financial position	**127,858**	**119,570**

Contributions paid by the Organization for ASHI totaled 2.5 million Swiss francs for 2014 (2.3 million Swiss francs in 2013). Expected contributions to ASHI in 2015 are 2.7 million Swiss francs. The following table details the present value of the defined benefit obligation and experience adjustments arising on the ASHI liability for 2014 and the previous four years:

	2014	**2013**	**2012**	**2011**	**2010**
	(in thousands of Swiss francs)				
Defined benefit obligation	154,449	137,670	131,320	113,439	106,603
Experience (gain)/loss adjustments on plan liability	-15,301	1,606	-6,704	-5,707	-487

The principal assumptions used in determining the ASHI liability and defined benefit obligation were as follows:

	December 31, 2014	**December 31, 2013**
Weighted-average assumptions to determine benefit obligations		
Discount rate	1.20%	2.50%
Rate of salary increase	3.52%	3.36%
Rate of sickness premium increase	3.00% as of 2012 then linear decrease to 2.50% as of 2017 then constant	3.00% as of 2012 then linear decrease to 2.50% as of 2017 then constant
Weighted-average assumptions to determine net cost		
Discount rate	2.50%	2.20%
Rate of salary increase	3.36%	3.44%
Rate of sickness premium increase	3.00% as of 2012 then linear decrease to 2.50% as of 2017 then constant	3.00% as of 2012 then linear decrease to 2.50% as of 2017 then linear decrease to 2.00% as of 2027 then constant

Assumed healthcare cost trends have a significant effect on the amounts calculated for the ASHI liability. A one percentage point change in assumed healthcare cost trends would have the following effects:

	1 per cent decrease in assumed health care trend rate	**Assumed health care trend rate as applied**	**1 per cent increase in assumed health care trend rate**
		(in thousands of Swiss francs)	
Defined benefit obligation as at December 31, 2014	127,692	154,449	189,034
Per cent variation	-17.3%		22.4%
Service and interest cost for the year to December 31, 2014	8,401	10,446	13,137
Per cent variation	-19.6%		25.8%

United Nations Joint Staff Pension Fund

The Pension Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

WIPO's financial obligation to the UNJSPF consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9 per cent for participants and 15.8 per cent for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

The actuarial valuation performed as at December 31, 2013 revealed an actuarial deficit of 0.72 per cent (1.87 per cent in the 2011 valuation) of pensionable remuneration, implying that the theoretical contribution rate required to achieve balance as at December 31, 2013 was 24.42 per cent of pensionable remuneration, compared to the actual contribution rate of 23.70 per cent. The next actuarial valuation will be conducted as at December 31, 2015.

At December 31, 2013, the funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, was 127.5 per cent (130.0 per cent in the 2011 valuation). The funded ratio was 91.2 per cent (86.2 per cent in the 2011 valuation) when the current system of pension adjustments was taken into account.

After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as at December 31, 2013, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the Fund. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.

In December 2012 and April 2013, the General Assembly authorized an increase to age 65 in the normal retirement age and in the mandatory age of separation respectively for new participants of the Fund, with effect not later than from January 1, 2014. The related change to the Pension Fund's Regulations was approved by the General Assembly in December 2013. The increase in the normal retirement age is reflected in the actuarial valuation of the Fund as at December 31, 2013.

During the 2014, WIPO contributions paid to UNJSPF amounted to 26.0 million Swiss francs [2013 26.1 million Swiss francs]. Expected contributions due in 2015 are 26.6 million Swiss francs. The United Nations Board of Auditors carries out an annual audit of the UNJSPF and reports to the UNJSPF Pension Board on the audit every year. The UNJSPF publishes quarterly reports on its investments and these can be viewed by visiting the UNJSPF at www.unjspf.org.

NOTE 13: TRANSFERS PAYABLE

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Madrid Union Complementary Fees	37,436	38,842
Madrid Union Supplementary Fees	3,136	2,997
Madrid Union Individual Fees	13,681	11,443
Madrid Union Holding Fees	15	5
Madrid Union deposits	22,396	17,938
Hague Union Distribution	243	194
Madrid and Hague Union Repartition Fees	4,047	4,468
AMC deposits	681	1,088
PCT International Searching Authorities	1,682	1,642
USPTO search fees due to EPO	242	-
Total transfers payable	**83,559**	**78,617**

The Organization collects fees on behalf of the contracting parties of the Madrid Agreement and Protocol and the Common Regulations of the Hague Agreement. The Organization's PCT International Bureau collects funds from applicants to cover the cost of payments of International Searching Authorities. In addition, the Organization collects fees to be paid directly to mediators, arbitrators or panelists for cases treated through the Arbitration and Mediation Centre. The Organization holds these funds on a temporary basis until they are transferred to the final beneficiary in accordance with the various treaties and agreements administered by the Organization. The total fees collected by the Organization for the biennium and an explanation of each are as follows:

Madrid Union Complementary and Supplementary fees: In accordance with the Madrid Agreement [Article 8(2) (b and c)] and the Madrid Protocol [Article 8(2) (ii and iii)] the Organization collects complementary and supplementary fees of 100 Swiss francs per application or renewal on behalf of the contracting parties. The amount due to each contracting party varies based upon the services provided by the party (examination undertaken). Funds are transferred annually in the first half of the year following the reporting date.

Madrid Union Individual fees: In accordance with Article 8(7) of the Madrid Protocol and Rule 38 of the Common Regulations, contracting parties may establish fees which are collected by the Organization and payable to contracting parties within the month following the recording of the registration or designation of renewal for which the fee was paid. Contracting parties that have elected to establish individual fees are not eligible to receive the complementary and supplementary fees described above. The amounts shown as payable represent the fees to be transferred at the end of the reporting period.

Madrid Union deposits: The Organization receives payments from applicants under the Madrid system which represent deposits in connection with pending procedures related to trademarks. The portion of these deposits which is estimated to represent funds collected by WIPO on behalf of third parties to be transferred later in accordance with the treaty is included within transfers payable in the financial statements. The portion of these deposits which is estimated to represent fees of the Organization received in advance is included within advance receipts in the financial statements (see Note 14).

Hague Union Distribution: In accordance with Rules 13.2(a)(iii), 13.2(e) and 24.2 of the Common Regulations under the Hague Agreement, the Organization collects ordinary state fees, state renewal fees and novelty examination fees on behalf of contracting parties for international registrations or their renewals. These funds are payable to the contracting parties on a monthly basis. The amount shown as payable represents the amounts to be transferred at the end of the reporting period.

Madrid and Hague Union Repartition Fees: The Organization holds funds payable to contracting parties when no clear payment instructions have been received or the contracting party requests that payment be held pending confirmation. The amount shown includes the sum of 1.8 million Swiss francs due to all of the countries making up the former Federal Republic of Yugoslavia, that is, Bosnia and Herzegovina, Croatia, Montenegro, Serbia, Slovenia and The former Yugoslav Republic of Macedonia. Payment will be effected as soon as a mutual agreement between the concerned Member States as to the amounts due to each country has been received by the International Bureau.

AMC Deposits: The Organization collects fees for arbitrations undertaken through its Arbitration and Mediation Centre covering domain names and other issues related to intellectual property. In addition to the fee paid to the Organization, participants deposit an amount equal to the estimated fee of the arbitrator. If the arbitrator's fee exceeds the estimate, the Organization requires the participants to provide the additional funds required. The amount collected is paid directly to the arbitrator and is not recognized as income by the Organization. The amount shown in the prior table represents the net amount paid by participants but not paid to the arbitrator as of the reporting date.

PCT International Searching Authorities: The International Bureau collects fees from applicants for international patents filed at the International Bureau to cover the costs of the international searches which are performed by International Searching Authorities designated by the Organization pursuant to the Patent Cooperation Treaty (PCT). The amount shown in the prior table represents the amount to be transferred to International Searching Authorities at the reporting date.

USPTO search fees due to EPO: In accordance with a memorandum of understanding between the European Patent Office (EPO), the United States Patent and Trademark Office (USPTO) and WIPO, PCT search fees to be transferred from the USPTO (as a PCT receiving office) to the EPO (as an International Searching Authority) are received by WIPO from the USPTO and then transferred by WIPO to the EPO. The objective of this memorandum of understanding is to improve the management of search fee transfers and reduce losses incurred by the International Bureau under PCT Rule 16.1(e) due to exchange rate fluctuations. The amount shown in the prior table represents the balance of transfers received by WIPO but not yet transferred to the EPO at the reporting date.

NOTE 14: ADVANCE RECEIPTS

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Madrid Union deposits	16,587	12,614
Industrial design deposits	259	167
PCT/IBRO deposits	533	489
Advance payment of contributions	4,266	1,933
PCT revenue deferred	199,682	194,943
Trademarks revenue deferred	3,813	3,344
Industrial design revenue deferred	235	224
Non exchange revenue deferred	16,134	15,144
Other deferred revenue	247	243
Total current advance receipts	**241,756**	**229,101**
FIPOI deferred revenue	2,978	1,881
Total non-current advance receipts	**2,978**	**1,881**
Total advance receipts	**244,734**	**230,982**

In many cases, the Organization collects fees and charges for services before the services are performed completely, or before the fee is earned in accordance with the treaties, agreements, protocols and regulations administered by the Organization. Revenue from fees related to the processing of international applications (Trademark, Industrial Design, Patents) is recognized when the application has been published. Revenue for additional page fees related to international patent applications is deferred until the related application is published. In addition, the part of the fees for international patent applications which covers the cost of translation of patentability reports not filed in the English language is deferred until the translation has been completed. All revenue from fees such as renewals, extracts, modifications, abandonment, transfers, confirmations and adjustments is recognized when the service has been performed.

Voluntary contributions from donors to Special Accounts containing conditions requiring the Organization to provide services to recipient governments or other third parties are treated as deferred income until the services covered by the voluntary contributions are performed, whereupon income is recognized.

The construction project to upgrade the safety and security standards of existing WIPO buildings has been partly financed by the Foundation for Buildings for International Organizations (FIPOI). Construction work financed by the FIPOI has been capitalized within work-in-progress, and a corresponding amount recognized as deferred revenue. The balance of deferred revenue as at December 31, 2014 was 3.0 million Swiss francs (1.9 million Swiss francs as at December 31, 2013). This revenue is recognized gradually as the security constructions are depreciated over their useful lives.

NOTE 15: BORROWINGS

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
FIPOI Loan Payable	1,358	1,358
BCG/BCV New Building Loan Payable	27,900	3,900
Total current borrowings	**29,258**	**5,258**
FIPOI Loan Payable	19,579	20,937
BCG/BCV New Building Loan Payable	90,400	118,300
Total non-current borrowings	**109,979**	**139,237**
Total borrowings	**139,237**	**144,495**

The Organization has borrowed funds (50.8 million Swiss francs and 8.41 million Swiss francs approved in 1977 and 1987 respectively) from the Foundation for Buildings for International Organizations (FIPOI) for the purpose of constructing its headquarters buildings in Geneva, Switzerland. These loans were originally subject to interest payments. However, in 1996 the Swiss Federal Department of External Relations agreed to waive any further payments of interest and the loans currently require the reimbursement of principal only.

In February 2008, the Organization entered into a contract with the Banque Cantonale de Genève (BCG) and the Banque Cantonale Vaudoise (BCV) to borrow 114.0 million Swiss francs, plus a possible supplementary amount of 16.0 million Swiss francs, to be used to finance part of the cost of the construction of the New Building available for use until February 28, 2011. The supplementary amount of 16.0 million Swiss francs was drawn down on January 27, 2011. The interest rate has been fixed at the Swiss franc Swap LIBOR for up to 15 years, plus a margin of between 0.30 per cent to 0.70 per cent dependent on the length of the term as determined by the Organization. Interest payments in 2014 totaled 3.1 million Swiss francs, with a weighted average interest rate of 2.60 per cent during the year. In addition to the payment of interest, the contract provides for an annual repayment of principal equal to 3.0 per cent of the total amount borrowed beginning on February 28, 2012 for the original loan of 114.0 million Swiss francs and the supplementary loan of 16.0 million Swiss francs. In November 2015 the Organization is due to make the first of its scheduled lump sum repayments towards the loan for the amount of 24.0 million Swiss francs. The second lump sum repayment for 16.0 million Swiss francs is currently scheduled for January 2016.

In October 2010, an amendment to the loan agreement was approved by the Banque Cantonale de Genève, the Banque Cantonale Vaudoise and WIPO providing an additional amount of 40.0 million Swiss francs to be used to finance part of the cost of the construction of the New Conference Hall and available for use during the period March 31, 2011 to March 31, 2014. During 2014 the Organization opted not to draw down this additional amount of 40.0 million Swiss francs. It is noted that the Organization paid an annual commission of 0.15 per cent on these undrawn loan amounts during the period of availability.

NOTE 16: PROVISIONS

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Legal costs	913	1,009
Total provisions	**913**	**1,009**

As part of its normal activities, the Organization is subject to litigation. Events occurring prior to December 31, 2014 have created certain legal obligations at the reporting date. As it is probable that these obligations will require future settlement and as the settlement amounts can be reliably estimated, a provision for legal costs has been established. The amount of the provision has been estimated as closely as possible on the basis of information available.

	Legal Costs
	(in thousands of Swiss francs)
Balance as at December 31, 2012	**1,032**
Movements in 2013:	
Additional provisions made	702
Amounts used	-23
Unused amounts reversed	-702
Total movements in 2013	**-23**
Balance as at December 31, 2013	**1,009**
Movements in 2014:	
Additional provisions made	678
Amounts used	-267
Unused amounts reversed	-507
Total movements in 2014	**-96**
Balance as at December 31, 2014	**913**

NOTE 17: OTHER LIABILITIES

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
PCT current accounts - Italy and Japan	7,588	6,597
Other current accounts	55,982	48,265
Total Other Current Liabilities	**63,570**	**54,862**

The Organization provides facilities for applicants for PCT, Trademarks and Industrial Designs to deposit funds entitled "current accounts" for which the Organization acts as custodian pending the use of the funds to cover fees required to be paid in connection with individual applications and renewals. These funds are held until such time as specific applications are filed. On receipt of the application and authorization, the current account balance is reduced and the funds are considered deposits until the application has been registered.

In addition, the Organization maintains bank accounts in its name to provide a mechanism for certain contracting parties to transfer funds which these parties have collected on behalf of the Organization. Until such time as the contracting party informs the Organization that funds held in these accounts represent income belonging to the Organization, the balance remaining in the accounts is not recognized as income.

NOTE 18: CONTINGENT ASSETS AND LIABILITIES

Several members of WIPO personnel are in dispute with the Organization. Cases before the WIPO Appeal Board (WAB) and the ILO Administrative Tribunal (ILOAT) for which provisions have been made are reflected in Note 16. No provision has been made for certain other cases before the WAB or the ILOAT where legal advice indicates it is not probable that a liability will arise. The estimated value of contingent liabilities for possible payments by the Organization for claims arising from these cases is 605,500 Swiss francs at the reporting date. Personnel also have cases which have the status of Requests for Review. For these cases the amount of any claim is yet to be confirmed, and therefore no provision is recognized. The estimated value of contingent liabilities for possible settlement payments by the Organization arising from these cases is 1,000 Swiss francs at the reporting date.

As at December 31, 2014, outstanding contracts for the construction of the New Conference Hall totaled 0.2 million Swiss francs, and outstanding contracts for the Security Construction totaled 0.6 million Swiss francs. The Organization also has non-cancellable contracts for the delivery of services for a total value of 1.5 million Swiss francs.

WIPO is a Partner Organization in the International Computing Centre (ICC), the inter-organization facility created to provide information technology services. Under the terms of the ICC Mandate, Partner Organizations shall be responsible for their share of certain liabilities arising from ICC's operations.

WIPO has contractual commitments relating to non-cancellable lease arrangements. These are detailed in Note 19.

NOTE 19: LEASES

WIPO as Lessee

The Organization has a number of leases providing additional space, storage and specialized facilities in Geneva. In addition, the Organization leases space for its external offices in New York, Rio de Janeiro and Tokyo. The value of future minimum lease payments under non-cancellable operating leases is as follows:

	December 31, 2014	**December 31, 2013**
	(in thousands of Swiss francs)	
Not later than one year	400	426
Later than one year and not later than five years	453	723
Later than five years	-	-
Total non-cancellable operating leases	**853**	**1,149**

The Organization has also entered into an agreement to lease a building from the International Centre of Geneva Foundation (FCIG). The details of this agreement, including future lease payments, are provided separately in Note 10.

The Organization has no outstanding leases qualifying as finance leases at the reporting date. The total amount of lease payments recognized as an expense in the reporting period was 1.9 million Swiss francs [2.0 million Swiss francs in 2013].

WIPO as Lessor

The Organization has entered into a number of agreements whereby it leases space in or on its headquarters buildings to third parties. These leases are all cancellable subject to notification periods specified in the agreements. The total amount of rental income from these arrangements in the reporting period was 0.6 million Swiss francs [0.6 million Swiss francs in 2013]. The Organization also leases apartments, parking and other facilities in the Madrid Union Building. The value of non-cancellable leases and rental income for the Madrid Union Building is provided in Note 7.

NOTE 20: RELATED PARTY TRANSACTIONS

The Organization is governed by the WIPO Assembly composed of representatives of all member countries. They do not receive remuneration from the Organization. The Organization is managed by a Director General and by Deputy and Assistant Directors General and officers (key management personnel) who are remunerated by the Organization. The aggregate remuneration paid to key management personnel includes salaries, allowances, statutory travel and other entitlements paid in accordance with the Staff Rules and Regulations and applicable to all staff. In addition, the Director General, deputy directors general and assistant directors general receive representation allowances. Key management personnel are members of the UNJSPF to which the personnel and the Organization contribute and are also eligible for participation in the staff health insurance scheme including the ASHI if they meet the eligibility requirements. The Organization has no ownership interest in associates or joint ventures and no controlled entities. WIPO is a member of the UNJSPF and certain of its former staff are members of WIPO's CROMPI. The relationship with these two funds is explained in detail in Note 12.

The Organization has a relationship with the International Union for the Protection of New Varieties of Plants (UPOV) whereby the Director General of the Organization serves as Secretary General of UPOV. The Organization is responsible for providing space, personnel administration, financial administration, procurement services and other administrative support to UPOV in accordance with the terms of an agreement between the Organization and UPOV dated November 26, 1982. UPOV reimburses the Organization for the cost of such services in accordance with the terms of said agreement. The Council of UPOV which serves as UPOV's governing body consists of the representatives of the contracting parties to the International Convention for the Protection of New Varieties of Plants of December 2, 1961, as revised. In accordance with the Rules and Regulations of UPOV, the office of UPOV, consisting of the UPOV Secretary General and staff, exercises its functions in complete independence of the Organization.

In addition to full reimbursement of all funds disbursed by the Organization on behalf of UPOV, the Organization receives 618 thousand Swiss francs per year from UPOV to cover the costs of services provided under the agreement between the two organizations. There were no other material transactions with related parties during 2014.

Key management personnel and their aggregate remuneration are detailed in the following table. There were no loans to key management personnel or to their close family members which were not available to other categories of staff. There was no other remuneration or compensation to key management personnel or to their close family members.

	2014		2013	
	Number of Individuals	**Aggregate remuneration**	**Number of Individuals**	**Aggregate remuneration**
	(as an average)	*(in Swiss francs)*	*(as an average)*	*(in Swiss francs)*
Director-General, deputies and assistants	8.08	2,992,850	8.00	3,054,395
Senior Officers	13.08	3,912,228	13.25	3,905,569

NOTE 21: RESERVES AND FUND BALANCE

	December 31, 2013	Program and Budget Surplus for the Year (before IPSAS adjustments)	Special Accounts Surplus for the Year (before IPSAS adjustments)	Projects Financed from Reserves (before IPSAS adjustments)	IPSAS adjustments for the year	Transfer to Accumulated surpluses	December 31, 2014
	(in thousands of Swiss francs)						
Program and Budget surplus/(deficit) for the period	-	69,890	-	-	-26,844	-43,046	-
Special Accounts surplus/(deficit) for the period	-	-	817	-	-817	-	-
Accumulated surpluses/(deficits)	185,431	-	-	-35,209	29,137	43,046	222,405
Working capital funds	8,342	-	-	-	-	-	8,342
Revaluation surplus	15,046	-		-	-	-	15,046
Net Assets	**208,819**	**69,890**	**817**	**-35,209**	**1,476**	**-**	**245,793**

The fund balance of the Organization represents the accumulated net result of operations in 2014 and prior periods.

The revaluation surplus reserves include the results of a revaluation (from historic cost to fair value) of the land owned by the Organization on which the new building has been constructed. The fair value has been determined by an independent valuation. Reserves include the Working Capital Funds established by the Assemblies of Member States of each of the Unions to provide advance financing of appropriation should there be a temporary liquidity shortfall.

WIPO's capital consists of its accumulated surplus and working capital funds which form part of its net assets. The capital is managed in accordance with the Policy on Reserves and principles applied in respect of the use of reserves adopted by the Assemblies of the Member States of WIPO at its 48th series of meetings in 2010 [A/48/9]. The policy establishes a target level for accumulated surplus equal to a percentage of estimated biennial expenditures for each of the Unions forming the Organization. In addition, each of the treaty agreements of the respective Unions establishes a level for the working capital funds. Funds equal to the target level for accumulated surplus and the working capital funds are set aside to maintain sufficient levels of liquidity and to cover operational deficits should they occur. Accumulated surplus funds in excess of the target may be made available by the Assemblies to finance capital improvements or other priorities in accordance with the Policy on Reserves established by WIPO's Assemblies.

As at December 31, 2014, the balance of accumulated surpluses includes funds which have been approved for use for projects in compliance with this policy. The remaining balance on approved Special Projects at the reporting date is 25.6 million Swiss francs. The remaining balance on the reserve-funded part of the Development Agenda at the reporting date is 1.0 million Swiss francs. It is also noted that a balance of 0.6 million Swiss francs remains on building construction projects as at December 31, 2014. These construction projects do not affect the level of net assets during construction phases, as expenditure incurred is capitalized as work in progress. The following table details the projects which are financed by reserves, and the net expenditure during the year:

	Total project budget	Cumulative expenditure to December 31, 2013	Cumulative adjustments to December 31, 2013	Remaining balance as at December 31, 2013	Expenditure year ended December 31, 2014	Adjustments year ended December 31, 2014	Remaining balance as at December 31, 2014
				(in thousands of Swiss francs)			
Special Projects							
Security	7,600	-5,336	141	2,405	-1,813	-	592
Maps modernization	13,804	-9,850	-	3,954	-2,805	-	1,149
Madrid system database	1,200	-1,080	-	120	-12	-	108
ERP project	25,341	-10,370	-	14,971	-3,530	-	11,441
ICT capital investment	5,180	-2,919	-	2,261	-889	-	1,372
Security enhancement	700	-	-	700	-	-	700
ECM implementation	2,068	-	-	2,068	-35	-	2,033
PCT building renovation	6,000	-	-	6,000	-	-	6,000
Geneva lake water cooling system	750	-	-	750	-89	-	661
AB building basement renovation	960	-	-	960	-	-	960
AB building windows replacement	300	-	-	300	-	-	300
Safety and fire protection	400	-	-	400	-97	-	303
	64,303	**-29,555**	**141**	**34,889**	**-9,270**	**-**	**25,619**
Development agenda	**7,182**	**-5,932**	**-**	**1,250**	**-216**	**-**	**1,034**
New construction and new conference hall							
New construction (1)	157,643	-156,689	1,224	2,178	-1,871	-	307
New conference hall (including architectural and technical project)	75,200	-51,426	200	23,974	-23,867	143	250
	232,843	**-208,115**	**1,424**	**26,152**	**-25,738**	**143**	**557**
Total reserve funded projects	**304,328**	**-243,602**	**1,565**	**62,291**	**-35,224**	**143**	**27,210**
Revenue in year 2014					15		
Net deficit in year 2014					**-35,209**		

(1) The new construction project was financed by borrowings, see Note 15.

NOTE 22: RECONCILIATION OF STATEMENT OF BUDGETARY COMPARISON AND STATEMENT OF FINANCIAL PERFORMANCE

The WIPO Program and Budget is established on a modified accrual basis in accordance with the Financial Regulations and Rules, and is approved by the Assemblies of the Member States. The Program and Budget for the 2014/15 Biennium established a budget estimate for the biennium of 674.0 million Swiss francs. For 2014, the first year of the biennium, the original and final budget estimate for income was 351.3 million Swiss francs, and for expense 337.0 million Swiss francs. Actual income on a modified accrual basis for the first year of the biennium was 378.7 million Swiss francs. Actual expense on a modified accrual basis for the first year of the biennium was 308.8 million Swiss francs.

The Program Performance Report for 2014 provides an explanation of both the changes between the original and final budget after transfers, and the material differences between the budget and the actual amounts. WIPO's budget and financial accounts are prepared using two different bases. The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets and Statement of Cash Flow are prepared on a full accrual basis, whereas the Statement of Comparison of Budget and Actual Amounts (Statement V) is prepared on a modified accrual basis.

As required by IPSAS-24, a reconciliation is provided between the actual amounts on a comparable basis as presented in Statement V and the actual amounts in the financial accounts identifying separately any basis, timing and entity differences. WIPO's budget is adopted by the Assemblies on a biennial basis, however, separate estimates are prepared for each of the two annual periods. Therefore, there are no timing differences to report. Basis differences occur when the approved budget is prepared on a basis other than the full accrual accounting basis. Basis differences include the depreciation of assets, full recognition of provisions and deferral of unearned revenue. Entity differences represent the inclusion in WIPO's financial accounts of Special Accounts and projects financed from reserves, which are not included in WIPO's published Program and Budget. Presentation differences represent the treatment of gains on investment property as investing activities in Statement IV.

		2014		
	Operating	**Investing**	**Financing**	**Total**
		(in thousands of Swiss francs)		
Actual amount on comparable basis (Statement V)	**69,890**	-	-	**69,890**
Depreciation, amortization and impairment	-9,054	-	-	-9,054
Equipment acquisition and disposal	247	-	-	247
Capitalization of construction expense	30,409	-	-	30,409
Capitalization of intangible assets	1,744	-	-	1,744
Changes in employee benefit liabilities	-2,846	-	-	-2,846
Deferral of revenue from fees	-17,031	-	-	-17,031
Other deferred revenue	-1,097	-	-	-1,097
Change in provision for doubtful debts	315	-	-	315
Inventory recognition	-394	-	-	-394
Special Accounts revenue recognition	-817	-	-	-817
Total Basis differences	**1,476**	**-**	**-**	**1,476**
Projects financed from reserves	-35,209	-	-	-35,209
Special Accounts	817	-	-	817
Total Entity differences	**-34,392**	**-**	**-**	**-34,392**
Actual amount in the Statement of Financial Performance (Statement II)	**36,974**	**-**	**-**	**36,974**

NOTE 23: REVENUE

	Program and Budget	Special Accounts	Projects Financed from Reserves	IPSAS Adjustments	Total	
	2014	2014	2014	2014	2014	2013
	(in thousands of Swiss francs)					
Assessed contributions	17,584	-	-	315	17,899	17,714
Voluntary contributions	-	9,681	-	-785	8,896	7,550
Publications revenue	351	-	-	-	351	405
Investment revenue	1,617	2	-	-	1,619	2,080
PCT System fees	295,128	-	-	-16,552	278,576	257,462
Madrid System fees	55,582	-	-	-469	55,113	55,401
Hague System fees	3,196	-	-	-10	3,186	3,202
Other fees	40	-	-	-	40	8
Sub-total fees	**353,946**	**-**	**-**	**-17,031**	**336,915**	**316,073**
Arbitration and Mediation	1,487	-	-	-	1,487	1,629
Exchange gain (loss)	1,253	9	15	-	1,277	-932
Program support charges	838	-	-	-838	-	-
Other/miscellaneous revenue	1,605	-	-	131	1,736	7,092
Total revenue	**378,681**	**9,692**	**15**	**-18,208**	**370,180**	**351,611**

Amounts shown for the Program and Budget represent actual revenue received related to the Organization's budget as adopted by the Assemblies. Voluntary contributions represent revenue received in connection with contributions made by donors to individual projects under Special Accounts not included in the Program and Budget.

IPSAS adjustments are principally related to the deferral of unearned revenue. Revenue from voluntary contributions is deferred until earned through the delivery of the specific services provided in the plan of work agreed with the donor.

Revenue from PCT, Madrid and Hague fees is deferred until earned through the publication of the international application in accordance with the rules of each of the Unions.

NOTE 24: EXPENSES

	Program and Budget	Special Accounts	Projects Financed from Reserves	IPSAS Adjustments	Total	
	2014	2014	2014	2014	2014	2013
			(in thousands of Swiss francs)			
Posts expenditure	190,096	1,414	1,265	2,590	195,365	188,523
Temporary positions expenditure	17,300	773	2,418	-319	20,172	24,635
Other staff costs	1,078	-	-	-221	857	837
Total Personnel expenditure	**208,474**	**2,187**	**3,683**	**2,050**	**216,394**	**213,995**
Interns	569	-	-	-	569	462
WIPO fellowships	1,925	-	159	-	2,084	1,285
Total interns and WIPO fellowships	**2,494**	**-**	**159**	**-**	**2,653**	**1,747**
Staff Missions	5,163	520	6	-1	5,688	6,549
Third-party travel	5,813	1,733	32	-23	7,555	10,239
Course fellowships	1,308	810	-	-1	2,117	2,427
Total Travel and fellowships	**12,284**	**3,063**	**38**	**-25**	**15,360**	**19,215**
Conferences	3,487	167	18	-2	3,670	4,609
Publishing	26	3	-	-	29	89
Individual contractual services	10,012	402	131	-71	10,474	12,619
Other contractual services	45,815	2,015	2,619	-1,036	49,413	47,700
Total Contractual services	**59,340**	**2,587**	**2,768**	**-1,109**	**63,586**	**65,017**
Premises and maintenance	17,170	126	28,211	-28,673	16,834	17,219
Communication	2,268	3	-	-	2,271	2,541
Representation	170	3	-	-	173	91
Administrative charges	631	-	6	173	810	603
United Nations joint services	763	-	-	-	763	667
Total Operating expenses	**21,002**	**132**	**28,217**	**-28,500**	**20,851**	**21,121**
Supplies and materials	**1,522**	**65**	**236**	**-20**	**1,803**	**3,265**
Furniture and equipment	**372**	**-**	**123**	**-248**	**247**	**859**
Depreciation and amortization	**-**	**-**	**-**	**9,054**	**9,054**	**7,893**
Finance costs	**3,303**	**3**	**-**	**-48**	**3,258**	**3,367**
Program support costs	**-**	**838**	**-**	**-838**	**-**	**-**
Total expenses	**308,791**	**8,875**	**35,224**	**-19,684**	**333,206**	**336,479**

Expenses in the Program and Budget, Special Accounts and Projects financed from reserves are reported on a modified accrual basis, recognizing expense when goods are received and services are rendered. However, before the impact of IPSAS adjustments, costs of the acquisition of equipment, expenses related to production of inventory and expenses related to construction are recorded as expensed when paid and provisions for post employment benefits are recognized only to the extent funded. During 2014, in accordance with paragraph 39 of the WIPO Program and Budget for the 2014/15 biennium, an additional charge of 6 per cent against post costs was recognized to increase the provision for after service employee benefits.

In addition, changes to the provision for doubtful debts, depreciation of equipment and buildings and equipment disposal are not recognized as expense under the modified accrual basis. As such, the costs of depreciation of buildings (7.1 million Swiss francs), intangible assets (1.2 million Swiss francs) and equipment (0.8 million Swiss francs) are treated as IPSAS adjustments. The transfer to fixed assets of construction costs and additions to buildings (30.4 million Swiss francs) are also included within IPSAS adjustments.

NOTE 25: FINANCIAL INSTRUMENTS

The Organization is exposed to certain foreign currency exchange, credit, interest rate and liquidity risks which arise in the normal course of its operations. This note presents information about the Organization's exposure to each of the above risks and the policies and processes for measuring and managing risk.

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Organization's financial instruments.

	Carrying amount	Fair value
Financial assets	*(in thousands of Swiss francs)*	
2014		
Receivables	56,905	56,905
Loans	8,184	8,184
Cash and cash equivalents	474,508	474,508
	539,597	**539,597**
2013		
Receivables	76,698	76,698
Loans	8,065	8,065
Cash and cash equivalents	409,916	409,916
	494,679	**494,679**

	Carrying amount	Fair value
Financial liabilities	*(in thousands of Swiss francs)*	
2014		
Borrowings	139,237	139,237
Accounts payable	30,315	30,315
Transfers payable	83,559	83,559
Current accounts	63,570	63,570
	316,681	**316,681**
2013		
Borrowings	144,495	144,495
Accounts payable	31,285	31,285
Transfers payable	78,617	78,617
Current accounts	54,862	54,862
	309,259	**309,259**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, receivables from exchange transactions, accounts payable and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Long-term loans, receivables and borrowings are evaluated by the Organization based on parameters such as interest rates and risk characteristics. Allowances have been established for receivables from non-exchange transactions which cover amounts due from Member States that have lost the right to vote under Article 11, paragraph 5 of the WIPO Convention and for contributions from least developed countries which have been frozen by action of the Assemblies. The concessionary loan to FCIG is recognized at amortized cost with values based on cash flows discounted using a discount rate of 1.48 per cent. USA taxes receivable are recognized at amortized cost with values based on cash flows discounted using a discount rate of 1.81 per cent.

Credit risk

Credit risk is the risk of financial loss to the Organization if counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the Organization's loans, receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at December 31, 2014 was:

	December 31, 2014	December 31, 2013
	(in thousands of Swiss francs)	
Receivables	56,905	76,698
Loans	8,184	8,065
Cash and cash equivalents	474,508	409,916
Maximum exposure to credit risk	**539,597**	**494,679**

The Organization's receivables from non-exchange transactions are almost exclusively from its Member States representing sovereign governments, and therefore risks related to credit are considered minor. An allowance has been established against the asset value of accounts receivable to reflect receivables for which payment is not anticipated in the short-term.

Investments are held in banks with sovereign risk or with credit ratings of AA- or higher. The Organization minimizes the credit risk to its cash and cash equivalents by holding the vast majority of its funds in banks with high or upper medium grade credit ratings. However in certain cases funds are held in lower medium grade rated banks for specific operational purposes. Accordingly, the credit ratings attached to cash and cash equivalents is as follows:

	AAA	AA+	A+	A	A-	BBB	Unrated (cash on hand)	Total
December 31, 2014	*(in thousands of Swiss francs)*							
Cash and Cash Equivalents	381,463	494	63,121	28,395	713	310	12	**474,508**
Per cent	80.4%	0.1%	13.3%	5.9%	0.2%	0.1%	0.0%	**100.0%**

Liquidity risk

Liquidity risk is the risk of the Organization not being able to meet its obligations as they fall due. The Organization does not have significant exposure to liquidity risk as it has substantial unrestricted cash resources which are replenished from the results of its operations. The Organization's investment policy has been developed to ensure that its investments are held primarily in liquid short-term deposits. The following table provides a maturity analysis of WIPO's borrowings. The BCG/BCV New Building loan maturity analysis as at December 31, 2014, includes annual repayments of 3.9 million Swiss francs (representing 3.0 per cent of the total loan value), and scheduled lump sum repayments of 24.0 million Swiss francs in November 2015, and 16.0 million in January 2016:

	1 year or less	1-5 years	Later than 5 years	Total
December 31, 2014	*(in thousands of Swiss francs)*			
FIPOI loan	1,358	5,433	14,146	20,937
BCG/BCV New Building loan	27,900	31,600	58,800	118,300
Total borrowing	**29,258**	**37,033**	**72,946**	**139,237**

	1 year or less	1-5 years	Later than 5 years	Total
December 31, 2013	*(in thousands of Swiss francs)*			
FIPOI loan	1,358	5,433	15,504	22,295
BCG/BCV New Building loan	3,900	15,600	102,700	122,200
Total borrowing	**5,258**	**21,033**	**118,204**	**144,495**

Currency risk

The Organization receives revenue from fees and voluntary contributions in currencies and incurs expenses in currencies other than its functional currency, the Swiss franc, and is exposed to foreign currency exchange risk arising from fluctuations of currency exchange rates. The Organization is also exposed to exchange risk arising from the currency differences between amounts payable to International Searching Authorities pursuant to the Regulations under the Patent Co-operation Treaty and amounts received by national patent offices for international search fees from applicants for international patents.

The Organization has a further exposure to exchange risk in connection with the cost of pensions for staff previously enrolled in the Closed Pension Fund who are now members of the UNJSPF. In addition, the Organization has external offices in Brazil, China, Japan, Russia, Singapore and the USA with limited assets in local currency. The Organization makes only limited use of financial instruments to hedge exchange risks, specifically for short term investments under which Swiss francs are converted to euros for a period of up to two months. There are no hedging contracts in place as at the reporting date.

Currency exchange rate sensitivity analysis

The currency exchange rate sensitivity analysis is based on reasonable shifts in exchange rates. A rate of 10.0 per cent has been applied, based on the fall in value of other currencies against the Swiss franc in the months following the announcement of the Swiss National Bank on January 15, 2015 (see Note 27 Events After the Reporting Date). This is applied to financial assets and financial liabilities held in currencies other than the Swiss franc to summarize the effect on surplus in the tables below:

December 31, 2014 Original currency:	USD	JPY	EUR
	(in thousands of Swiss francs)		
Total in the financial statements:			
Financial assets			
Cash and cash equivalents	19,915	4,963	7,128
PCT debtors	23,220	9,028	7,658
USA taxes reimbursable	4,692	-	-
Reasonable shift	10.0%	10.0%	10.0%
Total effect on surplus of +ve movements	**4,783**	**1,399**	**1,479**
Total effect on surplus of -ve movements	**-4,783**	**-1,399**	**-1,479**
Financial liabilities			
PCT current accounts	-	7,395	193
Reasonable shift	10.0%	10.0%	10.0%
Total effect on surplus of +ve movements	**-**	**740**	**19**
Total effect on surplus of -ve movements	**-**	**-740**	**-19**

Market risk

Market risk is the risk of changes in market prices, such as interest rates, affecting the Organization's income or the value of its financial instrument holdings. The Organization is to a limited extent exposed to the risk of falling interest rates, since only 0.22 per cent of its operating budget is financed from revenue derived from investment income. The interest rates applicable to the BCG/BCV New Building loan are fixed for the periods of the loan draw downs. The Organization does not use financial instruments to hedge interest rate risk. The interest rates and maturity profile on financial instruments as at December 31, 2014 and December 31, 2013 are as follows:

	Interest rate at reporting date	1 year or less	1-5 years	Later than 5 years	Total
December 31, 2014	%	*(in thousands of Swiss francs)*			
Financial assets					
Funds invested with AFF (including restricted balances)	0.150	381,463	-	-	381,463
Financial liabilities					
BCG/BCV New Building loan	2.595	27,900	31,600	58,800	118,300

	Interest rate at reporting date	1 year or less	1-5 years	Later than 5 years	Total
December 31, 2013	%	*(in thousands of Swiss francs)*			
Financial assets					
Funds invested with AFF (including restricted balances)	0.850	359,963	-	-	359,963
Financial liabilities					
BCG/BCV New Building loan	2.611	3,900	15,600	102,700	122,200

Interest rate sensitivity analysis

If the average interest rate during the year had been 50 basis points higher or lower, the interest income or interest expense would have been affected as follows:

	Increase (+) / decrease (-) in basis points	Effect on surplus
		(in thousands of Swiss francs)
2014		
Financial assets		
Funds invested with AFF	+50	1,777
	-50	-1,777
2013		
Financial assets		
Funds invested with AFF	+50	1,694
	-50	-1,694

NOTE 26: EXCHANGE GAIN AND LOSS

	Gain	Loss	Net Impact 2014	Net impact 2013
	(in thousands of Swiss francs)			
PCT system fees gain/(loss)				
Accounts receivable	153	-149	4	-58
PCT fees received	287	-2,019	-1,732	-6,009
PCT International Searching Authority	1,245	-1,930	-685	-2,578
Total PCT system fees realized gain/(loss)	1,685	-4,098	-2,413	-8,645
PCT bank accounts	1,385	-	1,385	-68
PCT current accounts and debtors	789	-154	635	2
Total PCT system fees unrealized gain/(loss)	2,174	-154	2,020	-66
Total PCT system fees gain/(loss)	**3,859**	**-4,252**	**-393**	**-8,711**
Arbitration and Mediation gain/(loss)				
Arbitration and Mediation bank accounts	117	-18	99	-15
Arbitration and Mediation other assets and liabilities	33	-95	-62	28
Total Arbitration and Mediation unrealized gain/(loss)	**150**	**-113**	**37**	**13**
Other gain/(loss)				
Accounts payable	1,537	-1,694	-157	-14
Total other realized gain/(loss)	1,537	-1,694	-157	-14
Bank accounts	840	-171	669	-390
Special Account bank accounts	29	-41	-12	-120
Other assets and liabilities	4,416	-3,639	777	-408
Total other unrealized gain/(loss)	5,285	-3,851	1,434	-918
Total other gain/(loss)	**6,822**	**-5,545**	**1,277**	**-932**
Total exchange gain/(loss)	**10,831**	**-9,910**	**921**	**-9,630**

The Organization realizes exchange gains and losses on accounts payable and accounts receivable transactions incurred in currencies other than Swiss francs based on the exchange rate in effect on the date of the transaction. Exchange gains and losses are realized on international filing fees and handling fees under the Patent Cooperation Treaty where these are received by the Organization in currencies other than Swiss francs, and on payments made to International Searching Authorities (ISA) under the PCT which are valued in the currency of the ISA but collected by WIPO in Swiss francs or by the national receiving office in its local currency. In addition, unrealized exchange gains and losses relating to the revaluation of bank accounts and other monetary assets and liabilities into Swiss francs at the exchange rate in effect on the reporting date are recognized on the financial statements. The net effect of all exchange gains and losses of 0.9 million Swiss francs is recognized within revenue on the Statement of Financial Performance, principally within the line PCT system fees.

NOTE 27: EVENTS AFTER THE REPORTING DATE

WIPO's reporting date is December 31, 2014 and its financial statements were authorized for issuance on May 1, 2015.

On January 15, 2015, the Swiss National Bank (SNB) announced that it was discontinuing its policy of maintaining a minimum exchange rate of 1.20 Swiss francs per euro. The policy had been in place since September 6, 2011. Following the announcement, the Swiss franc strengthened significantly, and all other currencies lost on average 15.0 per cent of their value against the Swiss franc in the currency markets. The United Nations Operational Rates of Exchange (UNORE) effective from January 15, 2015 had already been published two days previously, and therefore did not incorporate the effect of the SNB announcement. However, new UNORE were subsequently published on January 29, February 26 and March 11, 2015. For the three currencies, other than the Swiss franc, in which the Organization receives the most significant portion of its fees, the table below shows the percentage decrease in the value of these currencies against the Swiss franc, based on the published UNORE before and after the SNB announcement:

	UNORE						
	Rate published January 13, 2015	Rate published January 29, 2015	Percentage change from January 13, 2015	Rate published February 26, 2015	Percentage change from January 13, 2015	Rate published March 11, 2015	Percentage change from January 13, 2015
			(per cent)		*(per cent)*		*(per cent)*
US dollar/Swiss franc	1.0210	0.9200	-9.9	0.9540	-6.6	1.0040	-1.7
Japanese yen/Swiss franc	0.0086	0.0078	-9.3	0.0080	-7.0	0.0083	-3.5
Euro/Swiss franc	1.2012	1.0431	-13.2	1.0707	-10.9	1.0647	-11.4

As can be seen from the table above, following the initial average loss of 15.0 per cent, all three currencies recovered to differing extents over the following two months, although the euro remained at 11.4 per cent below its value prior to the SNB announcement. Although it is difficult to calculate a complete estimate of the financial effect for WIPO in 2015 of the appreciation of the Swiss franc, it is clear that it will negatively impact WIPO's fees from PCT applications paid in currencies other than the Swiss franc during at least the first quarter of the year. As a result of the appreciation of the Swiss franc, new equivalent amounts for PCT international filing fees and handling fees were announced for a number of currencies, with effect from April 1, 2015. This included the euro, but not the US dollar and Japanese yen which did not meet the conditions for the setting of a new equivalent amount due to the recovery of a large part of their value against the Swiss franc. Based on an analysis of equivalent amounts for 2014 and 2015 filings and the UNORE following the SNB announcement, the estimated exchange loss on the receipt of international filing fees for PCT applications is between 2.0 and 5.0 million Swiss francs (see page 12 Financial Statement Discussion and Analysis). This estimate is dependent on the pattern of future cash inflows of PCT international filings fees, and also movements in exchange rates subsequent to the UNORE published on March 11, 2015.

NOTE 28: SEGMENT REPORTING

Segment reporting is presented in a format which represents the various Unions as the segments that make up the World Intellectual Property Organization. The Unions were created by the various treaties administered by WIPO.

The WIPO contribution-financed Unions have been consolidated for presentation purposes. These include the Paris, Berne, Locarno, Nice, Vienna and IPC unions along with the functions covered by the WIPO Convention. The Patent Cooperation Treaty (PCT) Union, Madrid Union (Trademarks), Hague Union (Industrial Designs) and Lisbon Union (Appellations of Origin) are each governed by an Assembly which meets annually to adopt a budget and take such other actions as may be appropriate under the relevant treaties.

WIPO's assets and liabilities, other than the reserves representing net assets, are owned by or are the responsibility of the entire Organization and not assets or liabilities of individual Unions or segments. The assets and liabilities generally support a wide range of service delivery activities across multiple Unions (segments). The only exception is the investment property in Meyrin which is owned by the Madrid Union. Therefore, individual assets and liabilities will not be reflected in the disclosure of information for individual segments or Unions. Only the net assets/equity including the working capital funds and reserves are shown by individual segment.

Most revenue is accounted for by Union in WIPO's accounts. Revenue from interest earnings has been allocated among the Unions based upon total cash reserves and current revenue in 2014. Expenses are accounted for by program and then re-allocated to the various Unions based upon a methodology accepted by the WIPO General Assembly as part of the adoption of WIPO's 2014/15 Program and Budget.

A separate segment has been established for voluntary contributions representing amounts administered by WIPO on behalf of individual donors to carry out programs related to WIPO's mandate. Revenue and expense related to Voluntary Contributions (Special Accounts) are accounted for separately in the financial accounting system.

All expenses are allocated among the Unions making up the segments based upon the approved allocation methodology. Expenses for the Special Accounts segment relating to voluntary contributions to the Organization are recorded as actual cost. The only inter-segment charge represents the costs of program support incurred by the Unions in support of Special Accounts. Program support costs are charged to the Special Accounts based on a percentage of total direct expenditure specified in the agreement with the donor making the voluntary contribution.

Revenue, Expenses and Reserves by Segment

Program	Program Title	Contribution Financed	PCT	Madrid	Hague	Lisbon	Special Accounts	Total
				UNIONS				
				(in thousands of Swiss francs)				
	REVENUE							
	Contributions	17,584	-	-	-	-	9,681	27,265
	Fees	-	295,128	55,582	3,196	40	-	353,946
	Interest	95	903	619	-	-	2	1,619
	Publications	42	275	32	2	-	-	351
	Other Income+UPOV	709	709	875	709	709	9	3,720
	Arbitration	77	943	446	18	3		1,487
	Sub-total revenue on budgetary basis	**18,507**	**297,958**	**57,554**	**3,925**	**752**	**9,692**	**388,388**
	IPSAS Adjustments to revenue	310	-16,640	-269	2	12	-1,623	-18,208
	TOTAL REVENUE	**18,817**	**281,318**	**57,285**	**3,927**	**764**	**8,069**	**370,180**
	EXPENSES							
1	Patent Law	197	2,349	55	-	-	-	2,601
2	Trademarks, Industrial Designs & Geographic Indications	489	-	1,589	366	-	-	2,444
3	Copyright and Related Rights	6,183	1,391	102	-	-	-	7,676
4	Traditional Knowledge, Traditional Cultural Expressions & Genetic Resources	3,152	-	-	-	-	-	3,152
5	The PCT System	-	90,688	-	-	-	-	90,688
6	Madrid and Lisbon Systems	-	-	25,204	67	462	-	25,733
7	WIPO Arbitration and Mediation Center	246	3,003	1,421	57	10	-	4,737
8	Development Agenda Coordination	34	1,320	96	-	-	-	1,450
9	Africa, Arab, Asia and the Pacific, Latin America and the Caribbean Countries, Least Developed Countries	322	12,368	902	-	-	-	13,592
10	Cooperation with Certain Countries in Europe and Asia	90	3,461	252	-	-	-	3,803
11	The WIPO Academy	135	5,172	377	-	-	-	5,684
12	International Classifications and Standards	249	3,126	142	35	-	-	3,552
13	Global Databases	-	1,911	213	-	-	-	2,124
14	Services for Access to Information and Knowledge	46	2,654	513	35	2		3,250
15	Business Solutions for IP Offices	122	4,688	342	-	-	-	5,152
16	Economics and Statistics	56	2,128	155	-	-		2,339
17	Building Respect for IP	44	1,704	124	-	-	-	1,872
18	IP and Global Challenges	73	2,807	205	-	-	-	3,085
19	Communications	189	7,292	532	-	-	-	8,013
20	External Relations, Partnerships and External Offices	118	4,526	330	-	-	-	4,974
21	Executive Management	444	6,815	1,617	196	25	-	9,097
22	Program and Resource Management	594	9,422	3,219	412	34	-	13,681
23	Human Resources Management and Development	595	9,133	2,166	263	34	-	12,191
24	General Support Services	1,128	17,311	4,106	498	65	-	23,108
25	Information and Communication Technology	963	17,092	4,313	533	56	-	22,957
26	Internal Oversight	113	1,745	414	50	7	-	2,329
27	Conference and Language Services	873	13,396	3,177	385	51	-	17,882
28	Safety and Security	262	4,016	952	115	15	-	5,360
29	New Conference Hall	17	262	62	8	1	-	350
30	Small and Medium Sized Enterprises (SMEs) and Innovation	60	2,328	170	-	-	-	2,558
31	The Hague System	-	-	-	3,357	-	-	3,357
	Sub-total expenses on budgetary basis	**16,794**	**232,108**	**52,750**	**6,377**	**762**	**-**	**308,791**
	Financed from Reserves:							
	New Building and New Conference Hall	3,217	18,222	4,247	26	26	-	25,738
	IPSAS Adjustments to New Building and New Conference Hall	-3,146	-17,816	-4,152	-25	-25	-	-25,164
	Other Projects	551	5,190	2,998	740	7	-	9,486
	IPSAS Adjustments to Other Projects	-402	-3,124	-441	-3	-3	-	-3,973
	Special Accounts	-	-	-	-	-	8,875	8,875
	IPSAS Adjustments to expense	546	7,553	1,928	207	25	-806	9,453
	TOTAL EXPENSES	**17,560**	**242,133**	**57,330**	**7,322**	**792**	**8,069**	**333,206**
	Reserves and working capital funds at December 31, 2013	**21,965**	**147,671**	**47,013**	**-7,327**	**-503**	**-**	**208,819**
	2014 result on budgetary basis	-2,055	42,438	-2,441	-3,218	-43	817	35,498
	IPSAS adjustments to result	3,312	-3,253	2,396	-177	15	-817	1,476
	Reserves and working capital funds at December 31, 2014	**23,222**	**186,856**	**46,968**	**-10,722**	**-531**	**-**	**245,793**

Note; The Madrid Union has assumed the financing of the Hague Union's contribution of 3 million Swiss francs to the IT Modernization Program of the Madrid and Hague international registration systems. The amount will be reimbursed by the Hague Union to the Madrid Union as soon as the level of reserves of the Hague Union Reserve Fund so allows.

ANNEX I
STATEMENT OF FINANCIAL POSITION BY SOURCE OF FUNDING [UNAUDITED]
as at December 31, 2014
(in thousands of Swiss francs)

	WIPO - Program and Budget (regular budget)		FITSW - Special Accounts (voluntary contributions)		WISP - Projects financed from reserves		IPSAS Adjustments		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
ASSETS										
Current Assets										
Cash and cash equivalents	457,124	393,859	17,384	16,057	-	-	-	-	474,508	409,916
Accounts receivable (non-exchange transactions)	1,392	2,266	-	-	-	-	613	411	2,005	2,677
Accounts receivable (exchange transactions)	14,539	9,719	25	2	418	7,382	43,574	59,615	58,556	76,718
Inventories	-	-	-	-	-	-	1,747	2,141	1,747	2,141
Other current assets	164,099	170,531	-2,273	-1,828	-161,826	-168,703	-	-	-	-
Total Current Assets	**637,154**	**576,375**	**15,136**	**14,231**	**-161,408**	**-161,321**	**45,934**	**62,167**	**536,816**	**491,452**
Non-Current Assets										
Equipment	-	-	-	-	-	-	1,746	2,324	1,746	2,324
Investment Property	3,395	3,395	-	-	-	-	1,390	1,390	4,785	4,785
Intangible Assets	-	-	-	-	-	-	29,749	29,161	29,749	29,161
Land and Buildings	25,415	25,415	-	-	137,419	137,419	220,609	197,273	383,443	360,107
Accounts receivable (non-exchange transactions)	6,160	6,518	-	-	-	-	-5,862	-6,159	298	359
Accounts receivable (exchange transactions)	-	-	-	-	-	-	3,389	3,092	3,389	3,092
Other non-current assets	9,434	9,623	-	-	-	-	-310	-308	9,124	9,315
Total Non-Current Assets	**44,404**	**44,951**	**-**	**-**	**137,419**	**137,419**	**250,711**	**226,773**	**432,534**	**409,143**
TOTAL ASSETS	**681,558**	**621,326**	**15,136**	**14,231**	**-23,989**	**-23,902**	**296,645**	**288,940**	**969,350**	**900,595**
LIABILITIES										
Current Liabilities										
Accounts payable	18,944	20,678	96	88	11,275	10,482	-	37	30,315	31,285
Employee benefits	-20,105	-19,774	282	222	-55	-54	39,241	37,205	19,363	17,599
Transfers payable	61,163	60,679	-	-	-	-	22,396	17,938	83,559	78,617
Advance receipts	44,289	33,383	13,941	12,600	-	-	183,526	183,118	241,756	229,101
Borrowings due within one year	29,258	5,258	-	-	-	-	-	-	29,258	5,258
Provisions	913	1,009	-	-	-	-	-	-	913	1,009
Other current liabilities	67,503	54,862	-	-	-	-	-3,933	-	63,570	54,862
Total Current Liabilities	**201,965**	**156,095**	**14,319**	**12,910**	**11,220**	**10,428**	**241,230**	**238,298**	**468,734**	**417,731**
Non-Current Liabilities										
Employee benefits	85,898	77,838	-	-	-	-	55,968	55,089	141,866	132,927
Borrowings due after one year	109,979	139,237	-	-	-	-	-	-	109,979	139,237
Advance receipts	-	-	-	-	-	-	2,978	1,881	2,978	1,881
Total Non-Current Liabilities	**195,877**	**217,075**	**-**	**-**	**-**	**-**	**58,946**	**56,970**	**254,823**	**274,045**
TOTAL LIABILITIES	**397,842**	**373,170**	**14,319**	**12,910**	**11,220**	**10,428**	**300,176**	**295,268**	**723,557**	**691,776**
Accumulated surpluses/(deficits) b/f	205,484	221,878	-	-	-	-	-20,053	-51,579	185,431	170,299
Working capital funds	8,342	8,342	-	-	-	-	-	-	8,342	8,342
Revaluation surplus	-	-	-	-	-	-	15,046	15,046	15,046	15,046
Surplus/(deficit) current period	69,890	17,936	817	1,321	-35,209	-34,330	1,476	30,205	36,974	15,132
NET ASSETS	**283,716**	**248,156**	**817**	**1,321**	**-35,209**	**-34,330**	**-3,531**	**-6,328**	**245,793**	**208,819**

ANNEX II
STATEMENT OF FINANCIAL PERFORMANCE BY SOURCE OF FUNDING [UNAUDITED]
For the year ended December 31, 2014
(in thousands of Swiss francs)

	WIPO - Program and Budget (regular budget)		FITSW - Special Accounts (voluntary contributions)		WISP - Projects financed from reserves		IPSAS Adjustments		Consolidated	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
REVENUE										
Assessed contributions	17,584	17,551	-	-	-	-	315	163	17,899	17,714
Voluntary contributions	-	-	9,681	8,910	-	-	-785	-1,360	8,896	7,550
Publications revenue	351	405	-	-	-	-	-	-	351	405
Investment revenue	1,617	2,075	2	5	-	-	-	-	1,619	2,080
PCT System fees	295,128	252,936	-	-	-	-	-16,552	4,526	278,576	257,462
Madrid System fees	55,582	55,200	-	-	-	-	-469	201	55,113	55,401
Hague System fees	3,196	3,215	-	-	-	-	-10	-13	3,186	3,202
Other fees	40	8	-	-	-	-	-	-	40	8
Sub-total fees	353,946	311,359	-	-	-	-	-17,031	4,714	336,915	316,073
Arbitration and Mediation	1,487	1,629	-	-	-	-	-	-	1,487	1,629
Exchange gains	1,253	-956	9	24	15	-	-	-	1,277	-932
Program support charges	838	722	-	-	-	-	-838	-722	-	-
Other/miscellaneous revenue	1,605	6,884	-	-	-	-	131	208	1,736	7,092
Sub-total miscellaneous	3,696	6,650	9	24	15	-	-707	-514	3,013	6,160
TOTAL REVENUE	**378,681**	**339,669**	**9,692**	**8,939**	**15**	**-**	**-18,208**	**3,003**	**370,180**	**351,611**
EXPENSES										
Personnel expenditure	208,474	213,766	2,187	2,064	3,683	4,132	2,050	-5,967	216,394	213,995
Interns and WIPO fellowships	2,494	1,313	-	-	159	434	-	-	2,653	1,747
Travel and fellowships	12,284	15,970	3,063	3,131	38	121	-25	-7	15,360	19,215
Contractual services	59,340	61,441	2,587	1,453	2,768	4,004	-1,109	-1,881	63,586	65,017
Operating expenses	21,002	22,422	132	137	28,217	19,851	-28,500	-21,289	20,851	21,121
Supplies and materials	1,522	2,455	65	45	236	856	-20	-91	1,803	3,265
Furniture and equipment	372	871	-	63	123	712	-248	-787	247	859
Construction	-	11	-	-	-	4,220	-	-4,231	-	-
Depreciation, amortization and impairment	-	-	-	-	-	-	9,054	7,893	9,054	7,893
Finance costs	3,303	3,484	3	3	-	-	-48	-120	3,258	3,367
Program support costs	-	-	838	722	-	-	-838	-722	-	-
TOTAL EXPENSES	**308,791**	**321,733**	**8,875**	**7,618**	**35,224**	**34,330**	**-19,684**	**-27,202**	**333,206**	**336,479**
SURPLUS/(DEFICIT) FOR THE YEAR	**69,890**	**17,936**	**817**	**1,321**	**-35,209**	**-34,330**	**1,476**	**30,205**	**36,974**	**15,132**

ANNEX III
SPECIAL ACCOUNTS BY DONOR CONTRIBUTIONS

(in Swiss francs)

Fund-in-Trust Donor	Fund code	Balance as of December 31, 2013	Income 2014				Expenditure 2014				Reimbursements to donors	Foreign exchange losses absorbed by WIPO	Balance as of December 31, 2014
			Funds received	Interest	Exch. rate diff.	Total income	Staff expenditure	Other direct expenditure	Administrative support costs	Total expenditure			
Accredited indigenous and local communities	W_IGC	4,583.05	-	-	-	-	-	3,839.85	-	3,839.85	-	-	743.20
Australia	WAUS	1,133,310.15	-	144.45	-333.57	-189.12	-	566,109.20	73,637.55	639,746.75	-	-	493,374.28
Brazil (CHF)	WBRES	490,729.51	-	67.90	-664.29	-596.39	-	149,417.89	7,504.05	156,921.94	-	-	333,211.18
Brazil South	WBRST	75,048.21	372,768.27	17.70	-	372,785.97	-	55,774.04	7,250.65	63,024.69	-	-	384,809.49
Costa Rica	WCORI	31,128.67	-	22.49	3,489.81	3,512.30	-	80.36	-	80.36	-	-	34,560.61
El Salvador	WELSA	49,653.45	-	35.81	5,580.29	5,616.10	-	80.36	-	80.36	-	-	55,189.19
European Union (Pakistan Project)	WPAKI	605,533.14	-	123.97	-8,724.83	-8,600.86	-	199,829.35	13,988.05	213,817.40	-	-	383,114.88
Finland/Copyright I	WFICR	15,318.56	-	2.19	-87.15	-84.96	-	61.28	7.95	69.23	15,164.42	0.05	-
Finland (CHF)	WFINCH	-	105,109.58	6.55	-	105,116.13	-	34,598.60	4,497.85	39,096.45	-	-	66,019.68
Finland/Copyright II	WFINL	8,670.86	-	1.10	-51.48	-50.38	-	61.28	-	61.28	8,559.20	-	-
Finland/Copyright III	WFIMO	170,138.05	-	27.83	-761.83	-734.00	-	109,940.79	14,295.10	124,235.89	45,169.42	1.26	-
France/Industrial Property	WFRIP	752,473.96	303,163.00	117.40	-1.48	303,278.92	-	24,878.29	3,234.35	28,112.64	-	-	1,027,640.24
Germany/ Junior Professional Officers	WDEJP	380,403.84	137,652.00	49.40	-	137,701.40	137,356.28	5,898.33	17,190.55	160,445.16	6,271.77	-	351,388.31
Ibero-American Program of Industrial Property	WIBER	108,828.10	167,187.17	24.80	-	167,211.97	-	40,261.51	2,817.30	43,078.81	-	-	232,961.26
Italy/Intellectual Property	WITIP	624,679.88	609,090.00	128.15	-	609,218.15	-	320.24	41.65	361.89	-	-	1,233,536.14
Italy/Junior Professional Officers	WITJP	88,269.15	135,793.00	14.35	-	135,807.35	94,622.29	80.20	11,364.25	106,066.74	-	-	118,009.76
Japan/Africa - LDCs	WJPAF	1,391,782.76	1,100,000.00	182.15	361.71	1,100,543.86	251,294.85	685,612.79	120,328.90	1,057,236.54	-	-	1,435,090.08
Japan/Copyright	WJPCR	277,401.98	468,646.00	35.90	9.55	468,691.45	229,229.44	131,812.80	45,540.50	406,582.74	-	-	339,510.69
Japan/Industrial Property	WJPIP	4,287,471.40	4,330,000.00	698.40	381.54	4,331,079.94	757,230.09	2,526,691.46	422,295.25	3,706,216.80	-	-	4,912,334.54
Japan/Junior Professional Officers	WJPJP	15,250.80	-	-	-	-	4,614.80	40.00	558.60	5,213.40	10,037.40	-	-
Mexico	WMEX	163,193.78	-	22.50	-	22.50	-	80.00	5.60	85.60	-	-	163,130.68
Portugal	WPORT	72,977.46	-	15.42	-1,180.49	-1,165.07	-	81.75	10.65	92.40	-	-	71,719.99
Republic of Korea/Copyright	WKRCR	565,824.05	350,035.87	80.45	52.21	350,168.53	65,394.65	270,817.68	-	336,212.33	-	-	579,780.25
Republic of Korea/Copyright/Professional Officers	WKRPO	206,641.24	86,255.60	23.90	-	86,279.50	135,557.56	80.00	16,276.50	151,914.06	-	-	141,006.68
Republic of Korea/Intellectual Property	WKIPO	1,272,754.36	696,689.72	177.80	31.70	696,899.22	189,254.47	599,624.98	-	788,879.45	-	-	1,180,774.13
Republic of Korea/Professional Officers	WKRJP	515,484.03	373,008.40	68.95	-	373,077.35	323,137.45	80.00	38,786.05	362,003.50	-	-	526,557.88
Republic of Korea/Education	WKRED	247,488.53	174,150.88	41.85	0.02	174,192.75	-	138,052.43	6,902.65	144,955.08	-	-	276,726.20
Republic of Korea/Building Respect IP	WKRBRIP	-	131,263.45	6.35	-2.40	131,267.40	-	84,720.84	4,236.15	88,956.99	-	-	42,310.41
Spain (CHF)	WESCH	165,592.21	158,526.57	24.10	-31.92	158,518.75	-	180,490.14	23,467.90	203,958.04	-	-	120,152.92
Trusted Intermediary Global Accessible Resources pilot project	WTIGA	4,392.52	-	0.60	-	0.60	-	80.00	10.40	90.40	-	-	4,302.72
United States of America/Copyright	W_USA	2,708.54	-	18.60	5,022.82	5,041.42	-	24,054.52	3,046.70	27,101.22	1,583.33	20,934.59	-
United States of America/Enforcement of Intellectual Property Rights	WUSEN	-2,679.82	-	-	-	-	-	-	-	-	-	-	-2,679.82
United States of America/Small- and Medium-sized Enterprises	WUSSM	92,730.82	-	55.74	8,532.77	8,588.51	-	3,110.81	404.45	3,515.26	-	-	97,804.07
Uruguay (CHF)	WUYCH	102,335.54	68,459.02	17.55	206.23	68,682.80	-	13,086.73	-	13,086.73	-	-	157,931.61
Miscellaneous closed trust funds	WFITZZ	601.22	-	-	-3,043.51	-3,043.51	-	-	-	-	-	-	-2,442.29
TOTAL		**13,920,720.00**	**9,767,798.53**	**2,254.35**	**8,785.70**	**9,778,838.58**	**2,187,691.88**	**5,849,748.50**	**837,699.60**	**8,875,139.98**	**86,785.54**	**20,935.90**	**14,758,568.96**

This schedule is prepared in accordance with the requirements of donor reporting under UNSAS which does not include expenditure accruals. IPSAS adjustments to the closing balances (December 31, 2014) are not included in this schedule but are included in the figures shown in Note 14 Advance Receipts (see line 'Non exchange revenue deferred').

ANNEX IV
WIPO EX Gratia PAYMENTS

Financial Regulation 5.10 states that a summary statement of ex gratia payments for the calendar year shall be included in the annual financial statements of the Organization.

During the year ended December 31, 2014, the Organization recognized an expense for one ex gratia payment. This payment was for the amount of 12,500 Swiss francs, and was made in early 2015 to a former Deputy Director General of the Organization as reimbursement for two months of rental costs incurred after the expiration of his mandate.

For more information
contact **WIPO** at **www.wipo.int**

World Intellectual Property Organization
34, chemin des Colombettes
P.O. Box 18
CH-1211 Geneva 20
Switzerland

Tel: +4122 338 91 11
Fax: +4122 733 54 28

Photo: WIPO